

HRV POST

Weekly Newsletter from
HR Vidyalaya Corporate Services LLP

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**Best Wishes to
Global Investors Meet,
Tamil Nadu 2024**



IN THIS ISSUE

PG. 2

HRA Exemption Rules

PG. 4

5W and 1H of PIP

PG. 5

Everyday Employee Engagement

**WELCOME GLOBAL COMPANIES,
TO THE LAND OF**

- **ESTABLISHED INDUSTRIAL ECOSYSTEM**
- **VAST NATURAL RESOURCES**
- **HIGHLY SKILLED WORKFORCE, ETC.**

HRA Exemption Rules

Two Employees – Doing same job, Earning same salary, Paying same rent in their respective location, but because 1 employee is residing in a location which was classified (under Income Tax Rules) as Non-Metro, he/she/they had to pay more Income Tax.

When will this change? Cities mentioned (compared with Metro cities) are not less privileged..... Can we expect in this budget?

Though the Rental Income are more in Cities like Bengaluru, Pune and Gurgaon, when compared to Chennai or Kolkatta, an Assessee from Non-Metro has to pay more towards Income Tax (as HRA exemption is less).

It is time for the Government to omit the rule of Metro and Non-Metro.

Least of the following	Chennai, Delhi, Mumbai, Kolkatta	Other Locations, including big Cities, like Bengaluru, Hyderabad, Pune and Gurgaon
Rent Paid	Rs.60,000.00	Rs.60,000.00
Basic Salary	Rs.1,00,000.00	Rs.1,00,000.00
Rule – 1 The Actual HRA Received	Rs.50,000.00	Rs.40,000.00 (even if the Employer pays 50% of Basic as HRA, it is infructuous)
Rule – 2 The Rent paid (-) 10% Basic Salary	Rs.60,000 (-) Rs.10,000 = Rs.50,000.00	Rs.60,000 (-) Rs.10,000 = Rs.50,000.00
Rule – 3	50% of Basic = Rs.50,000.00	40% of Basic = Rs.40,000.00
HRA Exemption eligible (least of the 3)	Rs.50,000.00	Rs.40,000.00

But Section 80GG is same for

Assessee's

Irrespective of Location

Salaried?

What are components to be considered as Income under Salary?

TDS will attract on

Salary Paid or Payable

Arrear Salary Paid for Previous Year for which Tax was not considered.

Salary advance

Gratuity (more than the allowed exemption)

Commission / Fees paid in addition to Salary

Perquisites

Pension

(PF or Superannuation Pension)

PF contribution by Employer, in excess of 12% of Wages

Interest earned on PF Employee Contribution more than 2.5 Lakhs (where Employee & Employer contribute equally)

Interest earned on PF Employee Contribution more than 5 Lakhs (where employer restrict to 12% & Employee pay VPF)

Leave Encashment during Employment

Leave encashment more than 25L after Separation / Superannuation

5 W & 1 H of Performance Improvement Plan (PIP)

What is PIP – Performance Improvement Plan is to,

- ✧ Identify areas of improvement of an employee
- ✧ Goals to be achieved by the employee – specific as well as measurable
- ✧ Timeline to achieve the same

What is not the purpose of PIP?

- ✧ PIP is not for the purpose of putting the employee in back bench
- ✧ PIP is not for the purpose of separating the employee

How PIP is carried out?

- ✧ Identifying the improvement areas of an employee
- ✧ Documenting and Counselling
- ✧ Communicating the purpose and timeline to employee & agreeing
- ✧ Mentoring – continuous coaching on areas identified
- ✧ Measuring and final action

🔊 **Who needs PIP – All those employees, except new joiners, who cannot able to achieve the KPI target within timeline – a non-performer**

🔊 **Who to decide PIP – Functional Manager in consultation with HR**

🔊 **When to have PIP – As and when required**

🔊 **Where to have PIP – on the job only**

🔊 **Why to have PIP – Having a non-performer in any team, the organisation cannot achieve its goal.**

PIP is a tool to improve performance of an individual

Thinking of small and everyday Employee Engagement?

Give Feedback

- ✦ Any employee feels proud and valued where there is an appreciation or an opinion on the performance of his/her job.
- ✦ Offer ideas for improvement & be non-critical
- ✦ A constructive feedback creates a culture of trust and transparency

Be with Them

- ✦ During moments of Success be there to rejoice and show commemoration
- ✦ During disappointment due to failure, show complete empathy and encourage the individual

Distinguish Individuality

- ✦ Identify the individual needs and make the employee feel valued to the Organization.
- ✦ Recognize individual personality and make them align with the HR Policies.

Celebrate

- ✦ Celebrate different anniversaries (Work / Personal) of each employee
- ✦ Celebrate every achievement of individual Team Member & Team
- ✦ Delegate each member to plan each Celebration

Learn to Listen

- ✦ Hear out
- ✦ Give them the space
- ✦ Listen - Make it as a Rule of any regular conversation

Thank you – Priceless Phrase

- ✦ It is a powerful message – an expression of gratitude
- ✦ It is an acknowledgement and recognition as & when the employee deserves
- ✦ It is an expression which shows that you value their contribution, every time

Recognize

- ✦ Every employee wants to know whether his/her job performance is (i) just an ordinary or (ii) priceless
- ✦ Where it is above the ordinary or priceless, let him/her be recognized, which energizes them
- ✦ Make it visible to all in an Establishment

Reward

- ✦ Periodical rewarding of an employee, who achieves, makes him/her feel where he/she will fit in the Organization's future plans.
- ✦ He/She can plan his/her career goals aligning with the vision of the organization.

Employee working on National Holiday (& Festival Holidays)? How to consider such days – in Offices in Various States of India

No requirement to work on such days

- ✧ Uttar Pradesh – Specifically did not require any Employee to work on such National or Festival Holidays
- ✧ In States other than the mentioned (below) did not publish any notification on work during such National & Festival Holidays

Bihar, Chhattisgarh, Jharkhand, Himachal Pradesh, Haryana, Madhya Pradesh, Pondicherry

- ✧ An employee who is required to work on holiday shall be paid remuneration at double the rate of his normal wages (no other option is available)

Goa, J&K, Kerala, Maharashtra, Daman & Diu

- ✧ Twice the ordinary rates of wages for such National or Festival holidays and additionally to avail himself a substituted holiday with wages

Andhra Pradesh, Telangana, Karnataka, Odisha, Tamilnadu

- ✧ The employee can be required to work on such National or Festival holidays, provided if they are paid double wages (or)
- ✧ Wages for such National or Festival Holiday and a substituted holiday

