



HRV Post

July 21, 2024
Volume - 230

People Management, the Pulse of an Organization

INSIDE

Page 2

HRA - Review

Page 3

TN S&E - Enhanced
Penalty

Page 4

TN S&E - New
Registration Process

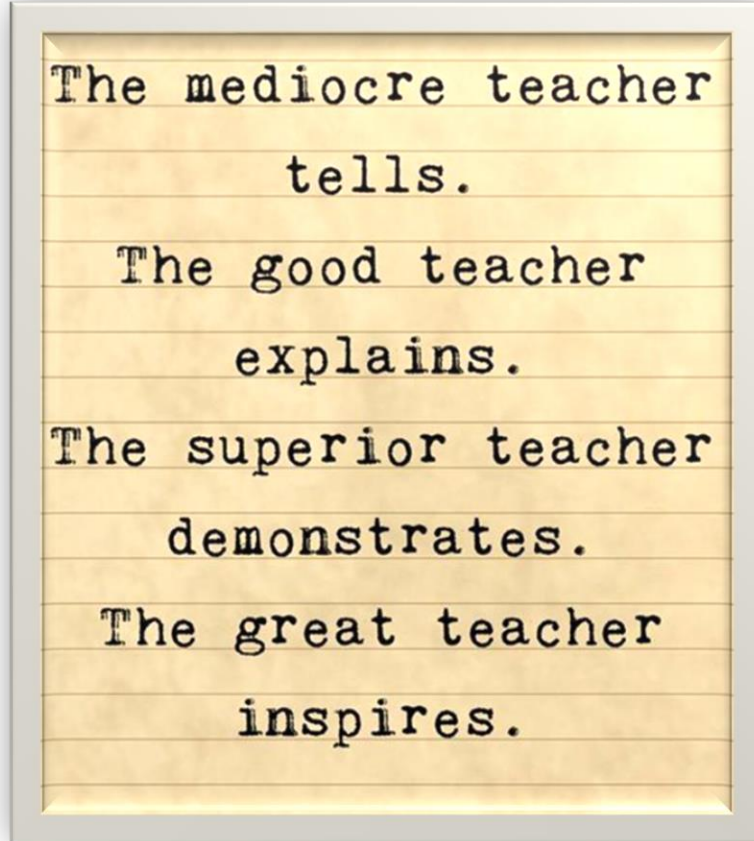
Page 6, 7, 8 & 9

Drafts - Employment
application - Rejection,
Probation Extension,
Termination/Confirmation
after Probation

DISCLAIMER

The views and opinions expressed herein, are in no way to be considered legal or consultative advice. The thoughts merely represent the author's opinion and for information purpose only. It cannot be treated as Legal Advice. Neither the Author nor HR Vidyalaya Corporate Services LLP makes any representation or warranties on the information published

Wishing you All a joyous Guru Purnima.
May your path be illuminated by the light of knowledge.
Our deepest gratitude goes out to all our Mentors who have shown us the way.



William Arthur Ward

News for the Week

With the encouraging statements from the new government, the expectation from the Union Budget 2024 which is set to be announced on July 23, are soaring. The focus remains on potential tax reforms that could impact individual tax payers and businesses. Key anticipated changes include an increase in the basic exemption limit.

Write your Feedback / Suggestions / Contributions to: hr.vidyalaya@gmail.com

www.hrvidyalaya.in
hr.vidyalaya@gmail.com
63833-80112

HRA

Rent Receipt for HRA claim-clarification

Where an employee is claiming a Rent Less than ONE LAKH/Year, so that there is no requirement of any Agreement between the Employee & Landlord and no mandatory requirement of provision of PAN number of the Landlord, for Rental (HRA) claims.

In case if the employee is moving out of one City to another and the Total Sum of Rent Exceeds 1 lakh for the particular FY, then the Employee (Assessee) needs to obtain the Agreement & provide PAN.

For E.g. I am in Chennai and the monthly Rent is 8200 for 5 months (which concludes that the annual rent will be below 1 lakh and there is no requirement for agreement/ PAN of the Landlord) and move to Delhi where I am paying 10000/month as Rent, there is no requirement of Agreement/PAN, if I consider both as separate one. But for Income Tax purpose it will be computed for a Financial Year, hence it is better advised to get Agreement & PAN number in both places (in this scenario)

What is HRA?

HRA is given to meet the cost of a rented house taken by the employee for his stay.

The Income Tax Act allows for deduction in respect of the HRA paid to employees. The exemption on HRA is covered under Section 10(13A) of the Income Tax Act and Rule 2A of the Income Tax Rules. It is to be noted that the entire HRA is not deductible. HRA is an allowance and is subject to income tax.

An employee can claim exemption on his HRA under the Income Tax Act if he stays in a rented house and is in receipt of HRA from his employer. In order to claim the deduction, an employee must pay rent for the house which he occupies.

The place of residence is significant in HRA calculation as for a metro the tax exemption for HRA is 50% of the basic salary while for non-metros it is 40% of the basic salary. This holds true especially when you work at a metro and reside at a non-metro. In this case, your city of residence only will be considered for calculating your HRA.

When you are calculating HRA for tax exemption, you take into consideration four aspects which includes (1) Salary, (2) HRA received, (3) The actual rent paid and (4) Where you reside, i.e., if it is a metro or non-metro.

The tax benefits for home loan and HRA are two separate entities and have no direct bearing on each other. As long as you are paying rent for an accommodation, you can claim tax benefits on the HRA component of your salary, while also availing tax benefits on your home loan.

In case a taxpayer has more than two self-owned houses as self-occupied, he has to select any two of the self-occupied (others are deemed to be let out. This is as per the Income tax rules.

Impact of HRA as a Component – Proposed Labour Code

- ☀ In few States of India, HRA is part of Minimum Wages, which will change after implementation of Codes..... Which have impact on the PF Contribution which is being considered (and PF Deducted on such HRA) now as Basic wages.....
- ☀ Besides, Once Codes are implemented, HRA is not to be considered for PF, where many establishments are currently considering if the Gross wages of few employees are less than 15,000 (PF ceiling).

Workshops for August 2024 – in Chennai

MASTER CLASSES

Fullday Workshops for August 2024

Kalyan Grand
Hotel

Kilambakkam Bus

Terminus

Vandalur

Chennai-48

1

Indian Independence Day

Special

Empowering HR Professionals

A Double Treat..

2

Handling Domestic Enquiry & Disciplinary Action

1. Types of Misconducts
2. Gateways to terminations – PIP, POSH, Domestic Enquiry
3. Preliminary & Domestic Enquiry
4. EO, MR, SCN, Charge Sheet
5. Suspension & Subsistence Allowance
6. Enquiry Proceedings
7. Reporting, Punishments, Appeal
8. Final Action

Course Director
P Sampath Kumar
Sr.HR Professional And
Practicing Labour Law Advocate

9th August 2024
09.30 am to 05.00 pm

A Deep Dive Social Security Benefits



Applicability, Definitions, Conformation,
Benefits to Employees / Contractors
Challenges & Solutions
Latest Updates | Case Studies

10th August 2024
09.30 am to 05.00 pm



hr.vidyalaya@gmail.com | 63833-80112
Big Discount for those who choose both Programs
<https://forms.gle/GAX9u8ZLBPochb9f9>



Tamil Nadu Shop and Establishments Act / Rules

Enhanced Penalty – effective 02nd July 2024.

Old – Rs.50.00 per Contravention

New – Rs.2,000.00 per Contravention

Visit our website (hrvidyalaya.in) for copy of Circular Memorandum

Tamil Nadu Shop and Establishments Act / Rules

Amendments – inserting Registration of Shops and Establishments under the Act/Rules.

So far, the Registration (License to operate) is as per The National, Festival and Special Holidays Act – Obtaining Form – III

~ ! ~ ! ~ ! ~

With the amendment

As per the Gazette Notification dated 02 – July – 2024,

1. Existing Establishments: Shops and Establishments those who have already obtained Form-III under the TN NFSH Act, have to apply in Form – ZB (Online) and obtain Form – Z (Registration Certificate)
2. New - Shops and Establishment who were freshly applying are required to apply in Form – Y and pay Rs.100.00 towards the statutory fee (Online) to get Form – Z (Registration Certificate)
3. Amendment of Registration is also applicable in the new process
4. Obtaining Form-III is also applicable, but it is not considered as License, henceforth
5. The Portal is not yet ready to accept the application and issue Registration Certificate.... Check the portal <https://labour.tn.gov.in/services/users/login>
6. **Other new Insertion** - First-aid Facilities - In every establishment, First-aid box shall be provided at the rate of not less than one box for every one hundred and fifty persons or part thereof ordinarily employed and shall be maintained so as to be readily accessible during all working hours.



In the Process of
Creating more
POSH Champions

Hello Coimbatore



A Master Class On
POSH Awareness & Inquiry
4th Week of August
More details soon.



Effective and Polite, Rejection reply communication (by Employer), Post-Application for a suitable position in an Organization.

Dear Applicant,

Thank you for applying for the position of [Job Title] at [Company Name]. We were impressed with your credentials and the enthusiasm you showed in your application.

After a careful review of your application, we've decided to move forward with other candidates whose qualifications more closely align with the specific requirements of the role. However, we were very impressed with your skills and believe you'd be a valuable asset to our organization.

We encourage you to keep an eye on our job openings. We're always on the lookout for talented individuals to join our team. We'd be thrilled if you'd reapply for future roles that align with your qualifications.

Thank you again for your interest in [Company Name]. We wish you all the best in your job search.

Thank you

(Human Resources)

XYZ Company Private Limited

Draft – Probation Extension Communication (Mandatory)

Dear [employee name],

We have decided to extend your probationary period at [company name]. We believe that this additional time will provide a better opportunity to evaluate your suitability for this role. Your performance to date has been satisfactory, but we feel that you need more time to fully demonstrate your abilities.

Your new probationary end date is [new probationary end date]. During this extended period, we will closely monitor your progress and provide you with regular feedback. We expect you to use this time to improve your performance in all areas that need attention.

Your terms of employment remain unchanged, and you will continue to receive your monthly salary of ₹ xx,xxx. We are committed to supporting your success in this position, and we will be working closely with you to provide guidance and feedback.

Should you have any questions or concerns, please feel free to contact us.

Sincerely,

[Sender name]

[Designation], [Company name]

Draft – Termination during Probation Communication (Mandatory)

Subject: Termination of employment

Dear [Employee Name],

We regret to inform you that your employment with [Company Name] is terminated, effective [Termination Date].

This decision was made after carefully evaluating your performance during the probationary period. Unfortunately, despite ongoing support and guidance, we have not observed the desired level of improvement in your job responsibilities or overall performance.

Your final settlement, including any outstanding salary, benefits, and reimbursements, will be processed on [Pay Date].

Kindly return all company property, including laptops, mobile phones, and any other items provided by us, by [Return Deadline].

We appreciate your time and effort during your employment with our company. We wish you the best of luck in your future endeavors.

Sincerely,

[Sender Name]

[Designation], [Company Name]

Draft – Confirmation after Probation Communication (Mandatory)

Subject: Employment confirmation letter

Dear [employee name],

We are pleased to inform you that based on your performance during the probation period, we have decided to confirm your employment with [company name] as a [job title]. Effective [confirmation date], you will be considered a permanent employee and your revised annual CTC is ₹ xxx,xxx [in words].

You will be eligible for the company's group health insurance policy, flexible benefit plans, and 24 days of paid leave in a calendar year. Please feel free to reach out if you have any questions.

Congratulations once again, and welcome to the team on a permanent basis!

Sincerely,

[Name]

[Designation], [Company name]

Signature:

Date:

I understand and accept the terms of my employment as outlined in this letter.

Employee Signature:

Date: