Exemptions under the head of Salary Income

Section	Details of Exemptions	Quantum	Remark
10 (5)	Exemption for Leave Travel Concession	The amount actually incurred on performance of travel on leave to any place in India by the shortest route to that place is exempt. This is subject to a maximum of the air economy fare or AC 1st Class fare (if journey is performed by mode other than air) by such route.	Provided that the exemption shall be available only in respect of two journeys performed in a block of 4 calendar years.
10(10)	Gratuity	Least of the following will be exempt 1. Amount received 2. Rs. 10,00,000 3. 15*/26 x LS x (CYS + Fraction 6 months) LS : Last Month Salary Drawn (Salary means Basic + DA (both))	
10(10A)	Commuted Pension		
10(10AA)	Leave Encashment upon Retirement	Other Employee Least of the following will be exempted 1.Amount Received 2.Rs. 3, 00,000 3.10 x AS (LE or 30 days) Received by Employee During the Employment (Fully TAXABLE)	Govt. Employee {Fully Exempt} Received by Legal Heir (Fully exempt)
10(10B)	Retrenchment Compensation	Least of the followings will be Exempt 1.Amount Received 2.Amount Calculated under "Industrial Dispute Act" 3.Rs.5,00,000	Ref. Sec. 10(10B) of IT
10(10C)	VRS	Least of the followings will be Exempt 1.Amount Received 2.Rs.5,00,000	Ref. Sec. 10(10C) of IT
10(13A)	HRA	The least of the following will be exempted 1.Amount received 2.50% or 40% of Salary 3.Rent paid less 10% of Salary 4.Salary means; Basic Salary+D.A	
10(14)	Children Education Allowance.	Rs.100 per month per child upto a maximum 2 children.	
	Hostel expenditure Allowance on employee's child	Rs.300 per month per child upto a maximum two children.	Allowance granted to meet Hostel expenditure Allowance on employee's child
	Uniform allowance	It is exempted upto actual expenditure incurred for maintaining of the official uniform.	Excess, if any, will be taxable.
	Conveyance/Transport allowance	upto Rs.800 per month	handicapped with the disability of lower extremities or a blind employee it shall be exempted upto Rs.1600 p.m.

Deductions under section 80 of Income Tax Act

Section	Details of deductions	Quantum	Remarks
80C	General deduction for investment in PPF, PF, Life Insurance, ULIP, Stamp duty on house, Fixed deposits for 5 years , bonds etc	Maximum Rs. 1,50,000 is allowed. Investment need not be from taxable income.	Limit of eligible premium in case of insurance policy on life of disable person has been increased to 15 % instead of 10 % from FY 13-14
80CCC	Deduction in case of contribution to pension fund. However, it should be noted that surrender value or employer contribution is considered income.	Maximum is Rs 1,50,000	Aggregate of 80C & 80CCC & 80CCD is Rs 1,50,000
80CCD	Deduction in respect to contribution to new pension scheme. Employees of central and others are eligible.	Maximum is sum of employer's and employee's contribution to the maximum: 10 % of salary.	Aggregate of 80C & 80CCC & 80CCD is Rs 1,50,000
80CCE	It should be noted that employer contribution is allowable as extra u/s 80CCD(2) of the Income Tax Act from Asst Yr 2012-13 and only employee's contribution is within limit of Rs 1 Lakh as stated in 80CCE	It should be noted that as per section 80CCE , the maximum amount of deduction which can be claimed in aggregate of 80C ,80CCC & 80CCD(1) is Rs 1,50,0000	
80CCG	Individual having gross total income up to Rs 12 Lakh can claim this deduction for investing in IPOs of share or mutual fund units.	50 % 0f the invested amount. Limit is Rs 25,000 max.	The deduction is allowed for three years only.
80D	Medical insurance on self, spouse, children or parents. The deduction is also allowable for CGHS contribution to Central and State scheme. It is also for conducting health check up to Rs 6000.	Rs 15,000 for self, spouse & children. Extra Rs 15,000 for insurance on parents. IF parents are above 65 years, extra sum should be read as Rs 20,000. Thus maximum is RS 35,000 per annum to a person of age below 60 yrs.	Cash payment not allowed. Watch the Video on Section D

Section	Details of deductions	Quantum	Remarks
80DD	For maintenance including treatment or insurance the lives of physical disable dependent relatives	Rs 50,000. In case disability is severe, the amount is Rs 1,50,000. Watch video on 80DD Deduction	
80DDB	For medical treatment of self or relatives suffering from specified disease	Actual amount paid to the extent of Rs 40,000. In case of patient being Sr Citizen, amount is Rs 60,000.	
80E	For interest payment on loan taken for higher studies for self or education of spouse or children	Actual amount paid as interest and start from the financial year in which he /she starts paying interest and runs till the interest is paid in full. Watch the video on 80E.	Watch the video on 80E.
80EE	Interest on home loan sanctioned during F. Y. 2013-14.	Maximum Rs 1 lakh	Value of the property should be below Rs 50 Lakh and max loan sanctioned should be Rs 25 lakh. Further Assessee should not have any other residential house.
80G	Donations to charitable institution	100% or 50% of amount of donation made to 19 entities (National defense fund, Prime minister relief fund etc). For Asst Yr 2014-15, National Children Fund will also get 100% deduction.	
80GG	For rent paid.	This is only for people not getting any House Rent Allowance. Maximum is Rs 2000 per month.	If you or your spouse or your HUF or minor son has any residential house, deduction is not available.
80GGA	For donation to entities in scientific research or rural development f	Only those tax payers who have no business income can claim this deduction .Maximum is equivalent to 100 % of donation.	Cash payment not allowed
80GGB & 80GGC	For contribution to political parties	100 % of donations	Cash payment not allowed
80QQB	Allowed only to resident authors for royalty income for books other than text book	Royalty income or Rs 3,00,000 whichever is less.	
80RRB	For income receipt as royalty on patents of resident individuals	Actual royalty or Rs 3,00,000 whichever is less.	
80TTA	Individual & HUF having interest in Savings Account	Rs 10000 maximum	Deduction not allowed if interest derived from any deposit in a savings account held by, or on behalf of, a firm, an association of persons or a body of individuals
80U	Deduction in respect of permanent physical disability including blindness to taxpayer	RS 50,000 which goes to Rs 1,00,000 in case taxpayer is suffering from severe disability.	
87A	Rebate to individual having low taxable income	Amount of tax or Rs 2,000 which ever is less	Only resident individual gets this rebate.