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Get ready to file your ITR: Deadline for employers to provide Form 16 is May 31 (Under section 203 of the Income Tax act, 1961 read with rule 31 of the income tax rules 1962, it is mandatory to furnish From 16.)

The time has come for your employer to inform you about the taxes deducted in the previous year i.e. for the financial year 2016-17. Each month, the employer would have deducted tax at source (TDS) on your salary income and deposited the same to the government.

The income tax Act mandates everyone who deducts TDS to issue a certificate to the individual. Under section 203 of the Income-tax Act, 1961, the employer is mandated to issue Form 16 to the employees showing the total TDS on income.

And this should happen before the end of this month. The last date for the employers to share the form 16 with the employees is 31st May of the financial year immediately following the financial year in which income tax was paid and tax deducted. However, in case there is no TDS deducted, the employer need not issue the TDS certificate in Form 16.

Budget 2016 gave few extensions in TDS submissions. "The due dates were extended for submission of TDS Returns. But no extension has been announced for Form 16 yet. It must be kept in mind that an extension in the deadline for employers to provide Form 16 will reduce the time available for filing of returns for the salaried who rely on Form 16 to prepare their returns".

Penalty for employer

It is compulsory for the employer to furnish Form 16 to the employee, whether it is the present or any previous employer. "Under section 203 of the Income Tax act, 1961 read with rule 31 of the income tax rules 1962, it is mandatory to furnish." But, what if the employer fails to do so? "Under section 272A (2) (g) of the Income Tax act, the employer is liable to pay the penalty,”

In case the employer has not provided the Form 16 to the employee by May 31 and delays it, there are penalties in place too. Gupta says, "If the employer fails to furnish the form 16 within the due date, he is liable to pay a penalty of Rs.100 per day of default till he issues the form. However, the penalty will not exceed the amount of tax deductible."

What to do if not received

At times employees find it difficult to collect the Form 16 from previous employers and sometimes even from the present ones. "The only remedy in case employer refuse to issues Form 16 is to complain to the concerned assessing officer in writing, who will take appropriate action or initiate penalty proceedings against the employer. The employee, however, has no other legal remedy against his employer in case he refuses to issue the certificate except to intimate about such default to the concerned assessing officer, who may take appropriate action or initiate penalty proceedings against the employer."

What all is there in Form 16

Form 16 is a summary of the total amount paid to the employee and the TDS on it.

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There are two parts in Form 16- Part A and Part B. While the basic information of the employer and employee, like name, address, PAN and TAN details, period of employment with the employer, summary details of TDS deducted and deposited with the government are captured in Part A, while Part B includes Income chargeable under the head 'Salaries', any other income reported by employee, the various deductions under Chapter VI-A such as section 80C, Section 80D etc.

Lastly, it will carry the figures for total income (earned during the previous year) and the tax applicable to it. "Part A must be generated and downloaded through Traces Portal. Part A of Form 16 also has a unique TDS Certificate Number. Part B is prepared by the employer manually and issued along with Part A.

Conclusion

In addition to the salary income, an employee may have other income too. Once you have received the Form 16 but had not declared any other income to the employer(and therefore no TDS was deducted on it), you may show it while filing the income tax return, the last date for which currently stands at 31st July.