

**DEPARTMENT OF SOCIAL WELFARE**  
**Government of NCT of Delhi**  
**GLNS COMPLEX, FERROZSHAH KOTLA, DELHI GATE**  
**NEW DELHI-110002**

F.No 1 (Misc) AAO – II / DSW / Pt.File / I.T / 2020-21 / 12484

Dated:  
04 DEC 2020

**CIRCULAR**

**Sub: - Exercising of option for deduction of Tax at source under old or new rates for the Financial Year 2020-2021 (ASSESSMENT YEAR 2021-2022).**

As per the provision of the Income Tax Act 1961, any income chargeable under the Head "Salary" is subject to deduction of Income Tax at source at the rate appropriate to the estimated salary of the relevant year. Further the order on the subject stipule that tax should be deducted proportionately by the Drawing & Disbursing.

A new tax regime has been inserted in the Income Tax (Act-1961), which provides that a person being an individual having income other than income from Business or Profession may opt to pay tax from the Financial Year 2020-2021 onwards either as per old tax regime or new tax regime, which , ever is beneficial.

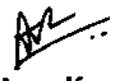
As per new tax regime, from the Financial Year 2020-2021 (Assessment year 2021-2022), total taxable income shall be computed without considering any exemption / deduction such as Standard Deduction, HRA Exemption loss from house property, deduction granted under the provision of chapter VI. A (except deduction under sub section (2) of Section 80 CCD) at the following rates.

S.No	Taxable Income	Tax Rate (Under Old Scheme)	Tax Rate (Under New Scheme)
1	Up to Rs. 2,50,000	Nil	Nil
2	From Rs. 2,50,001 to 5,00,000	5%	5%
3	From Rs. 5,00,000 to 7,50,000	20%	10%
4	From Rs. 7,50,000 to 10,00,000	20%	15%
5	From Rs. 10,00,001 to 12,50,000	30%	20%
6	From Rs. 12,50,001 to 15,00,000	30%	25%
7	Above Rs. 15,00,000	30%	30%

Moreover, Income Tax rates prevailed in the Financial Year 2019-2020 will continue to exist and the individual has the option to choose to between old rates and new rates for the purpose of monthly Income Tax recovery from pay and all allowance.

Therefore, all officers / Official drawing salary from DSW (HQ) are requested to exercise their option in writing and choose either old or new income tax structure for the Financial Year 2020-2021 (Assessment year 2021-2022) for the purpose of monthly Income Tax deduction from pay & allowance. This option should be forwarded the The DDO, DSW (HQ) latest by 15.12.2020.

In case, no option is received by the stipulated date, it will be presumed that the officer / official is opting for the old tax structure and income tax recoveries will be made accordingly

  
(Arun Kumar)  
Drawing & Disbursing Officer (SW) HQ

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All officers / officials  
On the strength of DSW (HQ)