



भारतीय विमानपत्तन प्राधिकरण AIRPORTS AUTHORITY OF INDIA

No.A.60011/21/2016/HRPC/ 172

Dated: 08th June, 2018

The Regional Executive Director
Airports Authority of India
Northern/Western/Eastern/southern/NE Region
New Delhi/Mumbai/Kolkata/Chennai/Guwahati

The Executive Director,
Airports Authority of India,
RCDU/FIU
New Delhi.

Airport Director,
Airports Authority of India
Kolkata/Chennai Airport

The Director,
Indian Aviation Academy
New Delhi

The Principal,
Civil Aviation Training College (CATC)
Bamrauli,
Allahabad

The General Manager
Airports Authority of India
CRSD/E&M Workshop
New Delhi.

OFFICE ORDER

Subject: Revision of perks and allowances under 'Cafeteria Approach'
w.e.f. 01.04.2018

In terms of the Presidential Directives received from Ministry of Civil Aviation vide letter No. AV-24015/6/2016-AAI-MOCA dated 10.01.2018 and Department of Public Enterprises guidelines issued vide OM No. W-02/0028/2017-DPE (WC)-GLXIII/17 dated 03.08.2017, the following perks and allowances under cafeteria approach shall be payable within the prescribed ceiling of 35% in respect of Board level and Below level Executives of AAI w.e.f. 01.04.2018:

S.No	Perks	% of Basic Pay	Taxability as per IT Act
1	Conveyance/Transport Allowance a. Transport Allowance given to meet the expenditure for commuting between place of residence and place of duty by employee.	-1 - 4%	a) Transport Allowance As per section 16 (ia) of Income Tax Act 1961, Standard deduction is allowed of Rs. 40,000/- in lieu of transport allowance and medical expense.

	<p>b) Conveyance Allowance granted to meet the expenditure on conveyance for performance of duties at workplace</p>		<p>b) Conveyance Allowance Amount of expenditure actual incurred during the course of official work. This is in the nature of reimbursement of expenses incurred by the employee on behalf of company. Documents required: Conveyance bills, taxi bill, petrol etc.</p>
2.	<p>Vehicle maintenance allowance</p> <p>a) Where employee owns the car but the expenses on running & maintenance including remuneration of the Chauffeur, if any) are met or reimbursed by the employer & Such reimbursement is for use of vehicle Partly for official and partly for Personal Purposes of the employee or any member of his household.</p> <p>b) Where employee owns any other automotive vehicle other than Car and other conditions remaining the same as above.</p>	1 - 4%	<p>As per Section 17(2) of Income Tax Act read with rule 3(2A) of Income Tax rules, exempted amount is:</p> <p>i) Rs.1800/- per month if cubic capacity (cc) of car engine is up to 1600. (Plus Rs.900/-per month for Chauffeur, if any)</p> <p>ii) Rs.2400/- per month if cubic capacity(cc) of car engine is more than 1600. (Plus Rs.900/- Per month for Chauffeur, if any)</p> <p>b) Exempted amount is Rs. 900 per month. Undertaking to be submitted by the employee for claiming tax exemption. For vehicle maintenance allowance- I am owner of car (having cubic capacity ___ litres)/scooter/motor cycle bearing No.____which is registered in my name and is being used in the performance of official duties. Expenditure wholly, exclusively and necessarily incurred on the maintenance and Running of the aforesaid vehicle in connection with official duties was Rs. ___ for the month of _____.</p>

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3.	Washing Allowance / Uniform Maintenance Allowance.	3 - 5%	<p>As per Section 10(14)(i) of Income Tax Act 1961 read with Rule 2BB(1)(f) of Income Tax Rules, actual amount received or actual expense incurred whichever is lower is exempted from tax.</p> <p>For maintenance of uniform as prescribed by AAI.</p> <p>Documents required: Uniform purchase invoice, Laundry/dry, Cleaning bills Undertaking to be submitted by employee for claiming tax exemption: The cash memo/bills for the above are in my custody and shall submit the same as and when required by Income Tax on the amount not supported by evidence. I request that amount claimed may be paid to me without deduction of Income Tax.</p> <p>This is to certify that I have incurred an amount of Rs. _____ towards maintenance of uniform worn by me during the month of _____ .</p>
4.	Education allowance (maximum two children)	3%	<p>As per Sec 10(14)(ii) of Income Tax Act, 1961 read with Rule 2BB (2)(5) of Income Tax Rules, Rs.100 per month per child for maximum of two children is exempted.</p> <p>Documents required: Declaration from employees for claiming tax exemption:</p> <p>I declare that my child/children is/are studying as indicated against each and am submitting following documentary proof of the same.</p> <p>(i) Name of Child (ii) School/college/professional course (iii) Documents</p>

5.	Hostel Expenditure Allowance (maximum two children)	2 - 3%	<p>As per section 10(14)(ii) of Income Tax Act 1961 read with rule 2BB(2)(6) of Income Tax Rules, Rs.300 per month per child for a maximum of two children is exempted from tax.</p> <p>Undertaking to be submitted by employee for claiming tax exemption: I declare that my child/children is/are studying and staying in hostel as indicated against each and am submitting documentary proof of the same for claiming tax exemption.</p> <p>(i) Name of Child ii) School/college/professional course iii) Documents</p>
6.	HRD / Professional updation Allowance	3 - 8%	<p>As per section 10(14)(i) read with rule 2BB(1)(e) it is exempt in the hands of employee which are purely for official purpose.</p> <p>Documents required: Purchase of books bills, subscription to academic site, and fee receipt from training institution.</p> <p>Undertaking to be submitted by employee for claiming tax exemption: This is to certify that I have incurred an amount of Rs.____towards purchase of newspapers/magazines during the month of _____which are relevant to the performance of the duties .</p>
7.	Entertainment Allowance	1 - 2%	As per Sec 16(ii) of Income Tax Act, 1961 it is fully taxable.
8.	Reimbursement of Membership of Club	1 - 2%	According to Section 17(2)(viii) read with Rule 3(7)(v) of Income Tax Rules it is fully taxable.

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9.	Reimbursement of Up keeping Charges of House	1 - 4%	As per Section 17(2) of Income Tax Act 1961, it is fully taxable.
10.	Reimbursement of Electricity and Water Charges	2 - 4%	As per Section 17(2) of Income Tax Act 1961 read with Rule 3(4) of income Tax Rules, it is fully taxable.
11.	Domestic Helper	1 - 3%	As per Section 17(2) of Income Tax Act 1961, it is fully taxable.
12.	Cook / Gardener	1 - 2%	As per Section 17(2) of Income Tax Act 1961 read with Rule 3(3) of income Tax Rules, it is fully taxable.
13.	Driver allowance	3%	As per Section 17(2) of Income Tax Act 1961, it is fully taxable.
14.	Canteen Allowance or meal Voucher	1 - 4%	Free meals in excess of Rs. 50 per meal is fully taxable. Following is exempted from tax: - <ul style="list-style-type: none"> 1. Food and non-alcoholic beverages during working hours in remote area or in an offshore installation. 2. Tea, coffee or non-alcoholic beverages and snacks during working hours Food in office premises or through non-transferable paid voucher usable only at eating joints provided by an employer, if cost to employer is less than Rs.50 per meal.
15.	Membership of Professional Bodies	1 - 2%	As per Section 17(2)(viii) of Income Tax Act 1961 read with Rule 3(7)(v) of Income Tax Rules, it is fully taxable.

16.	Leave Travel Concession (LTC)	4 - 8%	<p>The exemption available to the employee would be lower of the following:</p> <p>(a) Actual amount incurred, or</p> <p>(b) Limits specified as per Rule 2B of Section 10(5) which is as follows:-</p> <ul style="list-style-type: none"> • <u>In case of travel by Air</u> <p>Amount not exceeding the air economy fare of the national carrier by the shortest route to the place of destination.</p> <ul style="list-style-type: none"> • <u>In case of travel by Rail</u> <p>Amount not exceeding the air conditioned first class rail fare by the shortest route to the place of destination.</p> <ul style="list-style-type: none"> • <u>In case of travel where origin and destination is not connected by rail.</u> <ol style="list-style-type: none"> 1. Where a recognized public transport system exists, an amount not exceeding the 1st class or deluxe fare, as the case may be. 2. Where no recognized public transport exists an amount not exceeding, an amount equivalent to the air-conditioned first class rail fare, or, <p>c) Amount paid to employee (being the restriction adopted by AAI)</p>
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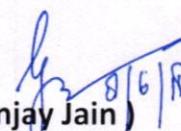


			Declaration to be given by employee. I have availed LTC for the Block Year _____ and amount spend is Rs._____. I am submitting the LTC bills./receipts (to be submitted by employee after availing LTC)
17.	Other allowances (Maximum)	5-15%	As per Income Tax Act

2. As per DPE guidelines issued vide OM No. W-02/0028/2017-DPE (WC)-GL-XIII/17 dated 03.08.2017 in respect of company owned accommodation provided to Executives, AAI would bear the income tax liability on the non-monetary perquisite of which 50% shall be loaded within the ceiling of 35% of Basic Pay towards perks and allowances. The percentage of perks will be reduced to the extent of tax to be deducted from the ceiling of 35% of Basic Pay payable towards perks and allowances accordingly.

3. Undertaking for claiming exemptions of income tax on above mentioned perks and allowances is required to be submitted by employees on ESS portal on annual basis.

4. Documents such as invoices, bills, receipts if any, sought from AAI or income tax department, are to be submitted by the concerned individual since onus of proof lies on the concerned individual.


(Sanjay Jain)

Executive Director (HR)

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- General Secretary – AAOA (I) / ATC (G) / IAAIOA / AAI Engg. Guild (I) /AAI SC ST Association.