



BHARAT PENSIONERS' SAMAJ

(All India Federation of Pensioners' Associations)
(Registered No. 2023 of 1962-63)

Member International Federation on Ageing, Montreal (Canada)

2/13-A - LGF Backside, Jangpura - 'A', New Delhi - 110 014

Mobile : 09868488199 | Telephone : 011-24376642

E-mail : bharatpensioner@gmail.com | Website : www.bharatpensioner.org

No: BPS/BDPA(I)/I.Tax/CGHS/2021

Dated 23rd September, 2021

To:

Sr. Citizen's Case

Shri Pravin Kumar Purwar,

C.M.D. BSNL,

Bharat Sanchar Bhawan,

H.C. Mathur Lane, Janpath,

New Delhi 110001

Sub: Clarification on taxability of payments made to retired employees and nominees of deceased employees-reg.

Ref: BSNLCO-TAXN/13(18)/3/2020-TAXATION/4362 Dated:-22-09-2021

Respected Sir,

1. We write to invite your kind attention to the captioned subject and seek your intervention to modify your letter as we firmly of the opinion that due consideration is not given to the issue before issuance of the captioned letter so far as it relates to taxability on CGHS payment to the retired BSNL Employees.
2. The order reads:
Query: Whether reimbursement of CGHS subscription to BSNL absorbed retired employees is to be treated as income of the retired employee? And, if the answer is in affirmative, the head under which it is chargeable.
3. The answer/clarification reads”
Reply: As per the proviso to section 17(2) of the Income Tax Act, 1961 any reimbursement by the employer in respect of any insurance premium paid by the employee to effect an insurance on his health or the health of his family under any approved scheme by Central Govt. or IRDA is a tax free perquisite. However, in the absence of clarity on whether reimbursement to BSNL absorbed retired employees on account of CGHS subscription is an insurance premium or not, on a conservative basis, tax may be deducted at source under the head of salary.

IN LIGHT OF ABOVE

- I. We have strong reason to feel aggrieved as the clarification is based upon the absence of rules/knowledge of the actual admissibility of CGHS Reimbursement by BSNL Corporate Office for Income Tax Deduction Purpose on *whether reimbursement to BSNL absorbed retired employees on account of CGHS subscription is an insurance premium or not*,
- II. **In such situation, it would have been more appropriate and apt, had BSNL Administration, referred the matter to DoT or Income Tax Authorities for clarification.**
- III. To us, it is clear case of terming the CGHS Reimbursement amount as premium for availing CGHS Medical Services alike other Medi-claims where premium is based upon the number of years; whereas herein this case is based upon the basic of retired BSNL Employees instead of clubbing it with number of years for which CGHS services will be provided.

We, therefore, request you to kindly get the clarification if BSNL is not agreeable with our version that it is Premium and till such time not to deduct any tax from the BSNL Pensioners opting for CGHS with the clarification that if the amount is taxable, then it will be recovered from the BSNL Pensioners.

With regards,

Yours Sincerely,


(D.D. MISTRY)

Secretary BSNL/PSU
BHARAT PENSIONER SAMAJ

Copy to:

1. The Secretary, DoT, New Delhi
2. The SG BPS New Delhi