

Illustration for Tax benefits available under Section 80CCD(2) and Section 80CCD(1B)

Head	Particulars	Without NPS	With NPS
Salary	Basic (40% of Gross)	400,000.00	400,000.00
	HRA (50% of Basic)	200,000.00	200,000.00
	Flexi / Professional Allowance	332,760.00	292,760.00
	Corporate Contribution – EPF	48,000.00	48,000.00
	Corporate Contribution – Gratuity	19,240.00	19,240.00
	Employer Contribution - NPS (80CCD (2))	-	40,000.00
Gross Salary		1,000,000.00	1,000,000.00
Deductions	80CCE	150,000.00	150,000.00
	Corporate Contribution – PF	48,000.00	48,000.00
	Corporate Contribution – Gratuity	19,240.00	19,240.00
	Employer Contribution - NPS (80CCD (2))	-	40,000.00
	Individual Contribution to NPS (80CCD (1B))	-	50,000.00
Gross Deductions		217,240.00	217,240.00
Taxable Salary		782,760.00	692,760.00
Change in Taxable Salary		-	90,000.00
Tax Saved @ 20%		-	18,000.00