



# ALL INDIA BANK EMPLOYEES' ASSOCIATION

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**AIBEA/GS/2022/14**

**1-2-2022**

**Mrs. Nirmala Sitharaman  
Hon. Minister for Finance  
Government of India  
New Delhi.**

Respected Madam,

**Relief of employer's contribution towards New Pension Scheme – Request to include Bank employees for the relief under Sec. 80 CCD – regarding**

After the implementation of New Pension Scheme for the Central Government employees and State Government employees, the said scheme was introduced and implemented in the Banks w.e.f. April, 2010. The contribution by the Banks and the employees were at 10% of Pay plus dearness allowance.

Thereafter, subsequent to the implementation of the VII Pay Commission, the Government increased the Government's contribution to the NPS at 14% while employees' contribution continued at 10%. The same was extended by the State Governments also.

As a sequel to this, in the Banking Industry also, management's contribution to NPS was increased to 14% under the XI Bipartite Settlement dated 11.11.2020 and stood implemented recently after the due clearance from the Ministry of Finance.

Central Government's contribution to NPS at 14% for its employees was covered under Section 80 CCD of the Income Tax Act. In the Budget Speech today, you have mentioned that the relief under Sec. 80 CCD for contribution by the employer to the tune of 14% would stand extended to State Government employees also.

However, the bank employees have not been included in the said relief. Because of this non-inclusion, while the Bank managements contribute to NPS at 14% at par with Central Government and State Governments, the difference of 4% contribution to NPS is taken as perquisite and added to the income of the employees for the purpose of income tax.

**Hence, we strongly urge upon you to include bank employees also under this provision of exemption under 80CCD.** We look forward to your favourable decision in this regard by introduction of an amendment while the Budget is being approved and implemented.

Thanking you,

Yours faithfully,

**C.H.VENKATACHALAM  
GENERAL SECRETARY**