

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2103
ANSWERED ON:06.08.2010
SUGGESTION ON TAXATION
Deora Shri Milind Murlu

Will the Minister of FINANCE be pleased to state:

(a) whether the Centre has proposed to drop earlier suggestions of taxing withdrawals from Provident Fund, Pension funds and pure life insurance schemes and also on the retirement and service perks given by employers; and

(b) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE:(SHRI S.S. PALANIMANICKAM)

(a) & (b) Yes, Madam. The draft Direct Taxes Code and Discussion Paper were released in August 2009 for public comments. Based on the inputs received, a Revised Discussion Paper was issued in June, 2010. It is proposed in the Revised Discussion Paper to provide the exempt-exempt-exempt (EEE) method of taxation for General Provident Fund, Public Provident Fund, Recognized Provident Fund, approved pure life insurance products and the pension scheme administered by Provident Fund Regulatory Development Authority (PFRDA). Further, retirement benefits received by an employee will be exempt subject to specified monetary limits.