

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4367  
ANSWERED ON:20.08.2010  
DIRECT TAXES CODE  
Viswanathan Shri P.

**Will the Minister of FINANCE be pleased to state:**

- (a) by when the Direct Taxes Code (DTC) is likely to be implemented;
- (b) whether the Government has taken any steps to allay the fears of the salaried class on implementation of the DTC; and
- (c) if so, the details thereof?

**Answer**

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

(a): Implementation of the DTC will take place after the introduction and passage of the relevant Bill, which will include its date of effectivity, in the Parliament.

(b) & (c): The Direct Taxes Code was released on 12-08-2009 for public discussion. Based on the inputs received. Revised Discussion Paper on Direct Taxes Code was issued on 15-06-2010, which proposes that:

(i) An employer's contribution to an approved provident fund, superannuation fund and New Pension Scheme within the prescribed limits shall not be considered as salary in the hands of the employee:

(ii) Retirement benefits received by an employee will be exempt subject to specified monetary limits. Thus, the amount of gratuity received, the amount received under a voluntary retirement scheme, the amount received on commutation of pension linked to gratuity received and the amount received on account of encashment of leave at the time of superannuation will be exempt, subject to specified limits, for all employees.

(iii) Perquisites in relation to medical facilities/reimbursement provided by an employer to its employees shall be valued as per the existing law with appropriate enhancement of monetary limits.

(iv) Perquisite value of rent free accommodation will not be computed on the basis of market value.