

Brief write up on Income Tax Section 80-JJA:

1. What is Section 80-JJAA?

This section is in respect of deduction of additional employee cost of additional employees for assessee having a business income.

2. What is the meaning of additional employees?

It means an employee who has been employed during the previous year but does not include the following:

- * Employees whose total salary is more than Rs. 25,000/- per month.
- * Employees who were employed for less than 240 days in the previous year (150 days in case of manufacture of apparel or footwear or leather products)
- * Employees who do not participate in Recognised Provident Fund like casual workers etc.
- * Employees whose entire contribution is paid by the Government, under the Employees' Pension scheme

3. What is the additional employees cost?

Additional Employee Cost means total emoluments paid or payable to additional employees.

However, in the case of existing business, additional employees' cost shall be NIL if:

- A. There is no increase in the Total no. of employees which means total no. of employees joined during the previous year is equal to total no. of employees left during the previous year.
- B. Emoluments are paid otherwise than by A/c payee cheque or account payee draft or any prescribed electronic mode (like RTGS, NEFT etc).

4. What is the meaning of emoluments?

Emoluments means any sum paid or payable to an employee in lieu of his employment, but does not include—

(a) Any contribution paid or payable by the employer to any pension fund or

- * Provident fund or

- * Any other fund for the benefit of the employee under any law for the time being in force.

b) Any lump-sum payment paid or payable to an employee at the time of termination of his service or

- * Superannuation or

- * Voluntary retirement

5. What is the Prescribed form?

Form 10DA is prescribed while claiming deduction.

6. What is the amount of deduction available?

If the assessee satisfies all the conditions, then he is eligible to claim deduction as given below

30% of additional employee cost for 3 consecutive years.