

FBT and Your Take Home Pay

	EXISTING		PROPOSED	
	Actual (in Rs)	Taxable	Actual (in Rs)	Taxable
Basic salary	25,000	25,000	25,000	25,000
House rent allowance	10,000	10,000	10,000	10,000
Special allowance	4,000	4,000	4,000	4,000
Fringe benefits from employer				
Club membership	4,000	-	4,000	4,000
Tour and travel reimbursement	5,000	-	5,000	5,000
Hotel/lodging reimbursement	2,000	-	2,000	2,000
Personal conveyance reimbursement	10,000	-	10,000	10,000
Gift vouchers	2,500	-	2,500	2,083*
Monthly CTC	62,500	-	62,500	
Annual CTC	7,50,000	-	7,50,000	
Taxable salary per month		39,000		62,083

* Gift up to Rs5,000 per annum is exempt

INCOME-TAX COMPUTATION

Total annual taxable salary (per month x 12)	4,68,000	7,44,996
Less: 80C deduction	1,00,000	1,00,000
Net taxable salary	3,68,000	6,44,996
Tax on above (assuming applicable tax slabs)	22,454	1,00,424

TAKE-HOME SALARY

CTC	7,50,000	7,50,000
Less: deductions by payroll		
Income tax	22,454	1,00,424
FBT on fringe benefits provided**	27,128	
Take-home salary	7,00,418	6,49,576
Take-home as a percentage of CTC	93%	87%

** This is paid by the employer, but the charge is passed on to the employee