

Staff Circular No. 8198

February, 07 2024

To: All Branches/Offices

**Implementation of New TDS Section 194P - Specified Senior Citizen - Staff Pensioners**

The Finance Act 2021 introduced new Section 194P (effective from 01.04.2021) to the Income Tax Act 1961 to deal with TDS(Tax Deducted at Source) obligations of specified senior citizens. Under Section 194P, tax is deductible only in case of “specified senior citizens”. For this purpose, specified senior citizen is an individual who satisfies the following conditions:

- i) *He/She is a resident individual*
- ii) *He/She is 75 years or more at any time during the previous Financial year.*
- iii) *He/She has income from pension which is credited in his pension account with “specified Bank”*
- iv) *He has no other income except interest received / receivable from any account maintained by such individual in the same “Specified Bank” in which he gets pension income. (“specified bank” means a banking company which is a scheduled bank and has been appointed as agents of RBI under section 45 of the RBI Act)*
- v) *He/She shall be required to furnish a declaration under Form 12BBA to the “specified bank”.*

Once the specified bank, deducts tax for senior citizens under section 194P there will be no requirement to file income tax returns by the specified senior citizens.

Please note this provision does not exempt specified senior citizens from paying taxes. However, this provision is meant for avoiding hassles of filing of Income Tax returns by the “specified senior citizens”.

In order to avail the relief under section 194P to the IT Act 1961, the staff pensioners who are “specified senior citizens” and are having no other income except interest income from deposits maintained solely with Union Bank of India shall submit a declaration in Form 12BBA as annexed herewith.

Eligible staff pensioners who wish to avail the relief under section 194P to the IT Act 1961 may submit the duly filled Form 12BBA latest by 29.02.2024, to email id [ebd.co@unionbankofindia.bank](mailto:ebd.co@unionbankofindia.bank), for deduction of TDS/TAX under section 194P, for FY 2023-24.

Based on the declaration Form 12BBA, the Bank shall compute the gross total income (pension plus interest income) and to calculate the net taxable income deductions, tax exemptions as uploaded by the pensioners, along with proof in the approved Investment Declaration and the rebates available under section 87A shall be considered and applicable TDS under section 194P shall be arrived.

The staff pensioners who have submitted the Form 12BBA to our department may maintain sufficient balance in the Staff Pension Account, so as to enable us to deduct the Income Tax amount and remit the same under section 194P.

Branches/offices are instructed to display the circular in branch notice boards and inform/educate staff pensioners of the relief under section 194P of the IT Act.

Sd/-

General Manager

**Form No. 12BBA  
(see rule 26 D)**

**Declaration to be furnished by Specified Senior Citizen under sub-clause (iii) of clause (b) of  
Explanation to section 194P**

1	Name and address of the Person	
2	PAN	
3	AADHAAR No.	
4	Previous Year	
5	Date of Birth	
6	Name of the Specified Bank	Union Bank of India
7	Employee / PF No	
8	Pension Account No.	

I ..... s/o / d/o ..... do hereby certify that the information given above is complete and correct and that I do not have any income other than the income of the nature of pension and / or interest which is received or receivable only in the accounts (s) of the specified bank stated above.

(Signature of the person)

Full Name .....