

CBDT notifies INR 25,00,000 for leave encashment exemption under section 10(10AA) for non-government salaried employees

CBDT notifies that in exercise of the powers conferred by sub-clause (ii) of clause (10AA) of section 10 of the Income-tax Act, 1961, the Central Government, having regard to the maximum amount receivable by its employees as cash equivalent of leave salary in respect of the period of earned leave at their credit at the time of their retirement, whether superannuation or otherwise, hereby specifies the amount of INR 25,00,000 (twenty-five lakhs rupees only) as the limit in relation to employees mentioned in that sub-clause who retire, whether on superannuation or otherwise.

Prior to this notification, the exemption limit was INR 3,00,000 and finance minister in her budget speech this year had made an announcement to increase the limit to INR 25,00,000

This notification shall be deemed to have come into force with effect from the 1st day of April, 2023

Source: CBDT Notification No. 31/2023/F. No. 200/3/2023-ITA-I dated 24-05-2023



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