

# TDS on claims

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**Q1. Under which circumstances TDS will be applicable in accordance with the Ministry of Finance Notification G.S.R. 604(E) dated 31.08.2021?**

TDS will be applicable in case of PF Final Settlement, transfer claims, on transfer from Exempted establishments to EPFO and vice versa, on transfer from one Trust on another, past accumulations transfer, at the time of annual accounts processing, on back period accounting after accounts for year 2021-22 are processed in accordance with the Ministry of Finance Notification G.S.R. 604(E) dated 31.08.2021 .

**Q2. What is the effective date of deduction of TDS in accordance with the Ministry of Finance Notification G.S.R. 604(E) dated 31.08.2021?**

It will be effective from 1st day of April, 2022.

**Q3. Is there any minimum amount upto which tax is not deducted ?**

The threshold limit for contributions for previous year 2021-22 and subsequent previous year is 2,50,000/- for EPF members.

**Q4. At what rate TDS will be deducted if PF account is linked with a valid PAN for resident member?**

If PF account is linked with a valid PAN, rate of TDS shall be 10 percent. (Ref. section 194 A)

**Q5. Whether taxable contribution part will be subject to a separate accounting of interest?**

Yes, taxable contribution part will be subject to a separate accounting of interest and maintenance as the closing balance of this part will earn interest next year and will be subject to TDS.

**Q6. Whether taxable and non-taxable both parts will be used for withdrawal?**

Yes, Withdrawal will be from taxable account thereafter from nontaxable account.

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