

CALCULATION OF TAXABLE INTEREST ON EPF



From FY 21, interest on employee contribution in a provident fund, exceeding Rs 2.5 lakhs will be taxable.

1

Rule 9D for calculation of the taxable interest

2

All PF accounts will be split into separate accounts

Taxable

ACCOUNT

Taxable contribution + Interest

Non-Taxable

ACCOUNT

- closing balance on March 31, 2021
- fresh non-taxable contributions and interest thereon

3

TDS will be deducted by EPFO on the taxable portion

Administration of the accounts will be done by EPFO & PF

4

account holders do not need to do anything for now