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- **Rounding issues in employer pension contribution and admin charges for EDLI and PF**
  The total employer contribution towards pension in case of splits in IT0587 was not matching the contribution value (8.33% of pension basis) estimated without splits. Moreover, admin charges for EDLI and PF were being rounded to the nearest rupee though not needed. These issues have now been addressed. For more information, see SAP Note 2498782.

- **HINCALC0: Rent benefit under Section 80GG**
  Even if Deduction in respect of rent paid is maintained in Section 80 Deductions (IT0585) info type, the employee will be eligible for exemption for this contribution under Section 80GG only if they do not receive any HRA payment from their employer. System changes have been provided to address this. For more information, refer to SAP Note 2468398.

- **IT0588 modified for Form 12BB confirmation and data of previous years**
  Changes have been provided in IT0588 via subtype 0007 to indicate whether or not an employee has confirmed and signed their Form 12BB. It has also been made possible to maintain the info type for previous financial years as well. For more information, see SAP Note 2475489.

- **No deadline for claiming housing loan interest deduction u/s 80EE**
  As per the Income Tax Act 1961, an employee is eligible to get tax exemption on the interest paid on a home loan up to INR 50,000 under Section 80EE if certain conditions are met. According to the amendment, the exemption will be allowed in calculating the total income of the employee for the assessment year beginning on April 1, 2017 and the subsequent assessment years. This means that there is no deadline specified for claiming the exemption, and that the employee can keep on claiming the exemption every assessment year. Changes have been delivered for this. For more information, see SAP Note 2465910.

- **Gratuity exemption in case of death**
  As per the Government of India Gratuity Act, the current exemption limit for gratuity is INR 10,00,000. However, for an employee who is eligible for gratuity in your organization and is terminated due to death, the gratuity amount received by them at the time of termination should be completely exempted from the taxable income. Changes have been delivered to meet this requirement. For more information, see SAP Note 2475871.

- **Tax rebate u/s 87A for employees with no PAN**
  As per the government guidelines, even if employees do not have a PAN they can still get rebate under Section 87A of the Income Tax Act, 1961. Changes have been delivered to meet this requirement. For more information, see SAP Note 2465886.

- **Weekly calls on Tuesday to address Payroll India queries**
  Last year, the Product Support Global Support Center – India for HCM started an initiative to assist customers in their everyday queries about Payroll India through weekly calls. You can join this conference call every Tuesday from 3:00 p.m. to 4:00 p.m. IST at https://launchpad.support.sap.com/#/notes/2462808

- **Budget 2017:**
  Surcharge for 50 lakhs to 1 crore slab when income is above INR 1 crore. As per the Budget 2017, surcharge is applicable on the tax payable on income. However, if the income is more than INR 1 crore, surcharge on tax was getting calculated only for the income above 1 crore but not for the income from 50 lakhs to 1 crore. This has been corrected. For more information, see SAP Note 2459023.

- **HINCF160:**
  Form 12BB mail log and changes in selection screen. The following options have been added to the selection screen of the Print program for form 16 (HINCF160) report:
  - Displaying Form 16 Part-B and Form 12BB
  - Downloading Form 16 Part-B and Form 12BB
  - Sending Form 16 and Form 12BB as mail attachment to the employee
Additionally, an error log is provided upon execution of the report to identify employees to whom the Form 12BB mail attachment was not sent successfully. For more information, see SAP Note 2441088.

- **Budget 2017 Webinar**
  A webinar for customers was conducted to explain the latest SAP system changes made according to Budget 2017 along with key scenarios and how this can help your organization. For a recap, you can refer to the PowerPoint file presented in the webinar.

- **HINCALC0: Incorrect calculation of Deduction u/s 24**
  After implementing the Union Budget SAP Note 2435871, when loss from house property was less than INR 2 lakhs, the system added the amount to the employee’s total income instead of subtracting it. This was incorrect and has now been rectified. For more information, see SAP Note 2451698.

- **Changes as per Budget 2017 proposal**
  Changes have been delivered with regard to the following as per the Union Budget 2017 proposal:
  - Rebate u/s 87A
  - Surcharge on income above INR 50 lakhs
  - Tax on income above INR 2.5 lakhs and up to 5 lakhs
  - Deduction interest u/s 24 on house property
  - Section 80CCG deduction
  For more information, see SAP Note 2435871.

- **FVU 5.3 and 5.4 changes**
  Certain changes have been introduced by the Government in version 5.4 of FVU, and corresponding changes have been made in the SAP system. For more information, see SAP Note 2432625.

- **Electronic Challan cum Return (ECR) version 2.0**
  To reduce the complexity of the existing portal for filling the ECR, and to simplify the overloaded 25-field ECR file, EPFO has revised the existing ECR file format and portal. The new file format will have only 11 fields and be called ECR 2.0. An arrear ECR file is also provided that contains the fields relevant for arrears. For more information, see SAP Note 2416854.

- **HCM India Localization Forum 2017**
  News Content: SAP Globalization Services, along with the IMS and CLM Software Logistics teams, conducted the SAP HCM India Localization Forum on January 24, 2017 at the SAP Labs Bangalore campus. The forum serves as a platform for SAP to collaborate, exchange learnings and discuss enablement with our customers regarding various trends in the market and the tax reforms and initiatives taken by the government. The forum was attended by 21 customers and 44 participants. The various presentations made by SAP experts in the forum are available here:
  - ESS Applications in ABAP Webdynpro
  - HCM Fiori Overview
  - SAP Note Assistant Next Generation Support Reports
  - Overview of Employee Central and Payroll Options
  - Payroll Control Center
  - Recent and Upcoming Legal Changes
  - Report Generation Framework

- **Maximum bonus increased to INR 16,800**
  The maximum bonus amount paid annually to an employee has been increased to INR 16,800. Changes have been made in the SAP system to address this. For more information, refer to SAP Note 2406147.

- **HINCALC0: Exemption given for both HRA (IT0581) and Deduction in respect of rent paid (IT0585)**
  An employee should be allowed to claim exemption under HRA in infotype 0581 or under
Deduction in respect of rent paid in infotype 0585, but not both. Changes have been made in the SAP system to address this. For more information, refer to SAP Note 2394881.

- **HINCALC0: Calculation of Senior Citizen Age as per IT Act**
  As per the Income Tax Act 1961, an employee will attain the prescribed age of senior or very senior citizen a day before their birthday. Changes have been made in the SAP system to address this. For more information, refer to SAP Note 2394213.

- **EPFO: Pension contribution till 60 years of age**
  The EPFO published a gazette notification G.S.R. 440(E) dated April 25, 2016, according to which employees can provide a declaration to contribute pension till the age of 59 or 60 years instead of the default 58 years. System changes have been delivered to incorporate this. For more information, refer to SAP Note 2398163.

- **Salary cap of beneficiaries for ESI increased to INR 21,000**
  As per ESIC notification dated December 22, 2016, the government has raised salary cap of beneficiaries for ESI from INR 15,000 to INR 21,000 per month. This change is valid effective January 1, 2017. Configuration changes have been provided in the system to address this. For more information, refer to SAP Note 2410793.

- **Information about Form 12BB**
  The following additional features are introduced for Form 12BB:
  1. Send Form 12BB as a mail attachment to the employee.
  2. Display data even if the employee declares Section 80 and Section 80C components under Proposal.
  3. Display details from the Membership Fees (IT0057) info type on Form 12BB.

  For more information, refer to SAP Note 2385254. The information presented in the webinar about Form 12BB on December 6, 2016, is available - informational videos about the Form 12BB process are available on YouTube at the following links:
  - For Payroll administrators: https://youtu.be/n4L-ZoxlcEA
  - For Employee Self-Service (IT Declarations): https://youtu.be/WKvaxKo_g8o

- **HINCALC0: Impact of Section 89 on alternate financial year and correction run (June, 2016)**
  - When the salary for the last payroll period of an alternate financial year was increased and a correction run was executed for it in the first payroll period of the next financial year (March), the increased amount was getting stored in /616 during a subsequent retrospective payroll run. This was incorrect and has now been rectified. For more information, refer to SAP Note 2310407*.

- **HINCALC0: Change in Value of TAXRO (May 2016)**
  - With SAP Note 2267268 released in the following SPs, the value of the constant TAXRO that controls the rounding of tax wage types is set to four: 600 SAPK-600D3INSAPHRCIN, 604 SAPK-60499INSAPHRCIN, and 608 SAPK-60827INSAPHRCIN. However customers would like to define their own value or use the value 2. Hence TAXRO’s value in the system has been updated to 2. For more information, refer to SAP Note 2314048*.

- **FUV 5.0 Changes (May, 2016)**
  - When validated against FUV 5.0, errors were appearing in the e-file that is generated on executing the Form 24Q report in the fourth payroll quarter. This was resulting from the changes made in FUV 5.0 by the government. System changes have been made to fix these errors. For more information, refer to SAP Note 2309011*.

- **Introduction of Form 12BB (May 2016)**
  - Vide notification No. 30/2016, the CBDT has prescribed Form 12BB for the employer to furnish declarations and supporting proofs to the employer for various deductions claimed under section 192 of the Income Tax Act, 1961. This will enable the employer to estimate the employee’s income and calculate the tax on it to be deducted at source. The resulting changes needed in the declaration as well as reporting are being investigated. A comprehensive solution is expected to be delivered by the end of November 2016. For more information, refer to SAP Note 2313751*.
• **New Form for Kerala Professional Tax (April 2016)** - A new form is introduced that needs to be submitted by the employer to the government while processing the professional tax for employees in Kerala. A legal change is provided for this new requirement. For more information, refer to [SAP Note 2309040*](#).