

NEW SECTION FOR TAX DEDUCTION W.E.F. 1ST OCTOBER, 2014

Kind Attention: All Policyholders

Union Budget, 2014 has introduced section 194DA under Income Tax Act, 1961. In accordance with the newly introduced section, w.e.f. 1st October 2014, tax is required to be deducted at source @2%, from payments made to residents of any sum under a life insurance policy including the sum allocated by way of bonus, other than the amount exempt under section 10 (10D) of the Income Tax Act, 1961 subject to the conditions and limits specified therein.

As per the Income Tax Act, 1961, the rate of deduction of tax at source of 2% is applicable only in instances where valid PAN has been communicated to the deductor before the payment is made under a life insurance policy. In instances where valid PAN has not been communicated to the deductor before the payment is made under a life insurance policy, the rate of tax deductible is 20%.

Section 194DA of the Income Tax Act, 1961, stipulates no deduction shall be made where the aggregate amount of such payments to the policyholder during the financial year is less than one lac rupees.

In view of the above, kindly submit a copy of your PAN card at any HDFC Life branch or mail a scanned and self-attested copy at service@hdfclife.com, if not done already.

HDFC Life
Customer Relations Department

Tax laws are subject to changes.



HDFC Standard Life Insurance Company Limited.

IRDAI Regn. No. 101.

Call **1860-267-9999** (local charges apply). Do not prefix any country code e.g. +91 or 00. Available Mon-Sat from 10 am to 7 pm |

Email – service@hdfclife.com | Visit – www.hdfclife.com