

STATE BANK OF INDIA OFFICERS' ASSOCIATION

(BENGAL CIRCLE)

(Registered under Trade Unions Act 1926-Regd. No. 6908)

1, STRAND ROAD, KOLKATA-700 001.

Phone: 2213-0663, 2213-0154, 2213-0665 (after 5.30 P.M.), Fax : (033) 2210-1684



e-mail: sbioabengalcircle@gmail.com
www.sbioabengal.com

Circular No. 42/2021

Date : 02.03.2021

To All Members (Please Circulate)

We reproduce hereunder the Circular No. 22 dated 02.03.2021 issued by the General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,

Shubhajyoti Chattopadhyay
(General Secretary)

To all our Affiliates / Members:

COVID-19 PANDEMIC: TREATMENT OF PAYMENT / REIMBURSEMENT OF HOSPITAL EXPENDITURE MADE BY THE BANK MANAGEMENT - FOR TAX PURPOSE

We reproduce hereunder the text of AIBOC Circular No.2021/19 dated 01/03/2021 contents of which are self-explanatory for information of the members.

(Soumya Datta)
General Secretary

Dear Comrade,

COVID-19 PANDEMIC: TREATMENT OF PAYMENT / REIMBURSEMENT OF HOSPITAL EXPENDITURE MADE BY THE BANK MANAGEMENT - FOR TAX PURPOSE

We reproduce hereunder the text of the joint communique from four officers' organisations addressed to the Chairman, CBDT, New Delhi dated 01.03.2021 on the captioned subject for your information. Copy of the letter has also been sent to the Chairman, IBA and MD & CEOs of all banks.

With revolutionary greetings,

Sd/-

(SoumyaDatta)
General Secretary

ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC)
NATIONAL ORGANIZATION OF BANK OFFICERS (NOBO)

Date: 01.03.2021

The Chairman,
Central Board of Direct Taxes,
North Block,
NEW DELHI – 110 002.

Respected Sir,

COVID-19 PANDEMIC: TREATMENT OF PAYMENT / REIMBURSEMENT OF HOSPITAL EXPENDITURE MADE BY THE BANK MANAGEMENT - FOR TAX PURPOSE

At the outset, we, the four officers' organisations viz. AIBOC-AIBOA-INBOC-NOBO, representing the entire fraternity of

Shubhajyoti Chattopadhyay
General Secretary
Mobile : 9434551152

State Bank of India Officers' Association

(BENGAL CIRCLE)

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officers in the banking industry, convey our sincere gratitude to you for providing breathing time by extending time norms for various income-tax related activities as a solace to the tax payers against the backdrop of COVID-19 pandemic.

It is a well-known fact that bank employees and officers, being part of the country's financial army, have been rendering uninterrupted and yeoman service from the front line and therefore have been exposed to the contagion. More than a lakh bank employees and officers and their family members have been affected by Coronavirus and many have succumbed to the deadly virus.

Sir, we wish to point out that the banks, as a part of industry wide bipartite settlement, are reimbursing the hospitalisation medical expenditure of employees within certain limits for the medical treatment taken by them from various hospitals for COVID-19 treatment. This reimbursement is of two types – direct payment to the hospital and reimbursement to the employee against relevant bills.

Any reimbursement of medical expenditure on account of hospitalisation is being classified into taxable and non-taxable income / perquisite for the employees. This classification is based on the specific diseases provided for in the Circular no. 747 dated 02.12.1996 issued by the Central Board of Direct Taxes. COVID-19 is not a part of the said list of specific diseases.

Consequently, the reimbursement of hospitalisation expenditure for COVID-19 being spent / reimbursed by the bank management to the employees is being classified as taxable.

Sir, it is a hard reality that the hospitals are charging hefty amounts for treating COVID-19 patients. It ranges from Rs.4.00 lakh to Rs.15.00 lakh depending on the severity of the disease. The employees are incurring huge amounts towards other related expenditure apart from the hospital bills. Unfortunately, after incurring such expenditure, many of our employees and their dependents did not survive.

Most of the senior officers / employees are in 30% tax slab and when the said reimbursement is added to their taxable income, they have to pay 30% of the said reimbursement amount as tax – ranging from Rs.1.20 lakh to Rs.5.20 lakh, even though there is no profit element or gain is there out of such payment / reimbursement of medical expenses made by the bank management.

The guidelines of CBDT about specific diseases are of 1996 and several new diseases have cropped up since then. Needless to emphasise, COVID-19 is one of the latest additions to critical diseases ever faced by the mankind.

Hence, considering the fact that the reimbursement / payment of medial expense made by the bank to its employees / officers is towards the treatment charges made by the hospitals and that there is no profit element to the employees, we urge upon your good office to revisit the list of specified diseases and notify a revised list of specific diseases including COVID-19, which will certainly be of immense help to the affected employees and / or their families.

We are certain that your good office will take a pragmatic and sympathetic view in the matter and issue necessary directives in this regard.

With regards,

Yours sincerely,

Sd/-
(Soumya Datta)
General Secretary
AIBOC

Sd/-
(Nagarajan S)
General Secretary
AIBOA

Sd/-
(Prem Kumar Makker)
General Secretary
INBOC

Sd/-
(Viraj Tikekar)
General Secretary
NOBO

Shubhajyoti Chattopadhyay
General Secretary
Mobile : 9434551152