

## **Gratuity Limit Increased To 10 Lakh as per Income Tax Act and Gratuity Act in Rajay Sabha**

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While the Lok Sabha had passed the Payment of Gratuity (Amendment) Bill 2010 on Monday, the Rajya Sabha put its stamp of approval on it on Wednesday.

Labour minister Mallikarjun Kharge, replying to a brief debate on the bill said the legislative measure also provides that the income tax exemption limit has commensurately been increased to Rs 10lakh from Rs3.5 lakh earlier.

On demands for giving a retrospective effect to the measure, Kharge said, "We want to give a lot, but there should be a capacity (of the employer) to pay and it should reach the beneficiaries."

He gave the same reason for not accepting demands from the members to improve the formula for calculation of gratuity.

The bill was brought following demands from [trade unions](#) and others to remove the ceiling or increase the maximum payable amount, which was fixed in 1997.

With Regards & Best Wishes,

Bharath Kedia