Corrigendum to CIRCULAR NO.CPF/45/Headquarters

Please refer to Circular No.CPF/45/Hqrs dated 20.11.2019 on the above cited subject vide which Bonus interest @2.50% on CPF for F.Y. 2019-20 was declared.

2. In this regard, attention is invited towards Point no.3&4 of the circular, wherein it was stated that in case of Ex-members (retired/ separated from FCI 1.4.2019 to 30.11.19) TDS will be deducted on accumulated balance now payable to them as salary. However, it has later been observed that bonus interest in respect of some of the members who got retired in the m/o Dec’19 is not being shown in their final payment sanction of CPF. Hence it is advised that similar procedure may be adopted to release Bonus interest payment to the members separated/ retired in the m/o Dec’19 after duly verifying their CPF final payment (to avoid double payment) and TDS may be deducted and deposited as per Income Tax Act.

3. Further, attention is invited towards Point no.6 of the circular, wherein it was stated that payment of Bonus interest may be made to retired eligible employees without insisting for fresh applications. In this regard, it is reiterated that Bonus interest payment is a taxable payment and timely deposit of TDS on bonus interest is the responsibility of DDO concerned. On review of the matter at Headquarters, it has been observed that as on 12.02.2020 there are 284 Ex-employees separated during April 2019 to November 2019, whose final payment has not been released and bonus interest has also not been released. List is attached. All the Unit Offices are advised to consider the bonus interest for the purpose of Income Tax calculation and applicable TDS may be deposited in February month and debit IOCPF may be sent to respective Zonal Offices(for Cat-II/III/IV & Labour)/Headquarters (for Category-I). The Unit offices shall also report the bonus interest on CPF in Form 24Q irrespective of deduction of TDS. The amount of bonus interest will be credited by FCI, FAP Division in the accounts of respective ex-employees. The Zonal Offices/ Headquarters CPF Division, after acceptance of IOCPF from Unit Offices in respect of TDS deposited, shall update the ex-members account accordingly.
4. The cases of FCI employees who are on deputation to other Organization may also be reviewed by Zonal/Headquarters CPF Division and credit of bonus interest in their CPF Account and deduction of TDS as well as calculation of such income in form 24Q of the Income Tax Act by the concerned Offices, may please be ensured.

5. All unit offices are requested to ensure that applicable tax is deducted & deposited on Bonus interest.

6. All concerned are requested to ensure compliance.

(Pukhraj Tak)  
Chief General Manager (CPF)

Encl: As above

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