F. No. 65-02/2023-LI
भारत सरकार/**Government Of India**
संचार मंत्रालय/**Ministry of Communications**
डाक विभाग/**Department of Posts**
डाक जीवन बीमा निदेशालय/**Directorate of Postal Life Insurance**

चाणक्यपुरी डाकघर परिसर,
नई दिल्ली – 110021
दिनांक: 28.07.2026

To,
All Heads of Circle

Subject: Guidelines regarding deduction of applicable TDS on incentive paid to sales force on PLI/RPLI policies -reg.

Madam/Sir,

This is regarding applicability of TDS on incentive paid to Sales force on PLI/RPLI policies.

2) Income Tax TDS is applicable on PLI & RPLI incentive paid to the sales force as per section 393 of new Income Tax Act 2025 (earlier referred as 194D of Income Tax Act 1961). However, it has come to notice of this Directorate that as per existing provision in McCamish, TDS is being calculated at agent-profile level rather than being consolidated at PAN level.

3) However, as per Income Tax Act, TDS should be deducted at PAN level. To deal with the situation, it has been decided by competent authority that TDS @ 20% may be deducted for sales force IDs without PAN mapping till the changes are incorporated in the system. The TDS shall be applicable on the incentive amounts with rate mentioned against each as per the **Annexure A. The DDOs should ensure that TDS applicability is ascertained/calculated by combining the incentive amounts of all agent-profiles of an individual sales-force/agent and income tax (TDS) is deducted accordingly, if applicable.**

4) It is requested to kindly issue necessary instruction/guidelines to the concerned DDOs under your jurisdiction to deduct TDS on incentive paid to Sales force on PLI/RPLI policies in accordance with Income Tax Act & Rules and maintain manual records of such cases for correct TDS reporting, and also sensitize/advise the sales force accordingly for ITR filing.

This issues with the approval of the competent authority.

वरिष्ठ लेखा अधिकारी/Sr. Accounts Officer

Copy to:-

DDM (Technology), PLI Directorate - w.r.t. email dated 14/07/2026

Annexure A

Type of Payment	**TDS applicability**	**Rate of TDS**
1. Any Incentive amount paid to Sales force equal or less than Rs. 20,000/- in a financial year (**Combining all agent profiles of an individual**)	TDS is not applicable	Not applicable
2. Any Incentive amount paid to Sales force above Rs. 20,000/- in a financial year (**Combining all agent profiles of an individual**)	TDS is applicable	As mentioned below
a) If PAN card is **not** provided by Sales force or PAN card is **Invalid**	TDS will be applicable at higher rate	20%
b) Form 121 (earlier referred as Form 15G/15H) is not provided by the Sales force and valid PAN card is provided by Sales force (Combining all agent profiles of an individual)	TDS will be applicable	2%
c) Form 121 (earlier referred as Form 15G/15H) is provided by Sales force along with valid PAN number.	No TDS will be applicable.	Not applicable