

9[Deduction in respect of contribution to pension scheme of Central Government.10

80CCD. (1) Where an assessee, being an individual employed by the Central Government 11[or any other employer] on or after the 1st day of January, 2004, 12[or any other assessee, being an individual] has in the previous year paid or deposited any amount in his account under a pension scheme notified or as may be notified by the Central Government, he shall, in accordance with, and subject to, the provisions of this section, be allowed a deduction in the computation of his total income, of the whole of the amount so paid or deposited 13[as does not exceed,—

- (a) in the case of an employee, ten per cent of his salary in the previous year; and
- (b) in any other case, ten per cent of his gross total income in the previous year.]

(2) Where, in the case of an assessee referred to in sub-section (1), the Central Government 14[or any other employer] makes any contribution to his account referred to in that sub-section, the assessee shall be allowed a deduction in the computation of his total income, of the whole of the amount contributed by the Central Government 14[or any other employer] as does not exceed ten per cent of his salary in the previous year.

(3) Where any amount standing to the credit of the assessee in his account referred to in sub-section (1), in respect of which a deduction has been allowed under that sub-section or sub-section (2), together with the amount accrued thereon, if any, is received by the assessee or his nominee, in whole or in part, in any previous year,—

- (a) on account of closure or his opting out of the pension scheme referred to in sub-section (1); or
- (b) as pension received from the annuity plan purchased or taken on such closure or opting out,

the whole of the amount referred to in clause (a) or clause (b) shall be deemed to be the income of the assessee or his nominee, as the case may be, in the previous year in which such amount is received, and shall accordingly be charged to tax as income of that previous year.

15[(4) Where any amount paid or deposited by the assessee has been allowed as a deduction under sub-section (1),—

- (a) no rebate with reference to such amount shall be allowed under [section 88](#) for any assessment year ending before the 1st day of April, 2006;
- (b) no deduction with reference to such amount shall be allowed under [section 80C](#) for any assessment year beginning on or after the 1st day of April, 2006.]

16[(5) For the purposes of this section, the assessee shall be deemed not to have received any amount in the previous year if such amount is used for purchasing an annuity plan in the same previous year.]

Explanation.—For the purposes of this section, “salary” includes dearness allowance, if the terms of employment so provide, but excludes all other allowances and perquisites.]