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Form 16 or TDS certificate are the prime documents that are required while filing ITR. However, there are various other documents required as well such as interest certificate, Form 26AS, Tax-saving investment proof, and other documentary proof. As the Central Board of Direct Taxes (CBIT) revised the form 16 format and clearly notified through an event addressed the taxpayers that this year both Part-A and Part-B of the Form-16 will have to be downloaded from the TRACES portal of the Income Tax Department. If you are reading this article in case to know about how to file income tax return with form 16. Here is the detail guide for the same. Read More: How To File an Income Tax Return for a Salaried Employee What is Form 16? In very simple lingo, Form 16 is your TDS certificate which you may collect from your employer, bank or other entity. This certificate lists all your taxable income and various tax deductions at source. Revised structure of Form 16 (Part A & B): Though the structure of Form 16 largely remains the same, Part A of a Form 16 contains following details: Name and Address of the Employer, Name and Address of the Employee, PAN and TAN of the deductor / employer, PAN of Employee, Amount paid / credited, Tax deducted at source. Both Part-A and Part-B of the Form-16 will have TRACES logo and a unique ID. Part B of a Form 16 contains following details: Break up of Salary, Other Income declared by the employee to his employer, Deductions under Chapter VI A, Relief under Section 89, Tax deducted at source, Net Income tax which is payable / refundable, Essential Checklist in Form 16 In our last guide how to file income tax return online step by step we have mentioned that a TDS certificate is most important and is the very first needed document that helps you in figuring out income tax paying liability. Though there are certain things to figure out in your Form 16. Here are the things you must check in Form 16. PAN - Check if the mentioned PAN number in the form matches yours. In case PAN does not match and unknowingly file your ITR, then the tax deducted from your salary will not be reflected in your Form 26AS, though you also can't claim credit. PART A - Importantly check for the consists information of taxes deducted by your employer. PART B - Wisely go-through of the details of income paid by your employer. It must be accurate and error-free. Steps to file your income tax with form 16 When you collect all the required documents i.e. Form 16, Form 26AS, and others along with final computation of tax liability then you sure move to the filing process. Here is the guide for filing ITR on an e-filing website. Login to the website with your credentials. Go to e-File and click on Prepare and submit ITR online. Select the appropriate Income Tax Return Form and assessment year. Fill in the details as asked and then click the Submit button. (there you would request to upload all the required form including Form 16) Upon successful submission you will see a message displaying ITR submit and processed. After that, you need to e-verify your ITR. Doing so there are three different methods for e-verifying ITR. If the return is not e-verified, the ITR-V form (password protected) should be printed, signed and submitted to CPC within 120 days from the date of e-Filing. Also Read: How To Open Password Protected Income Tax Return PDF Were here to help and answer any question you might have. We look forward to hearing from you These are the personal views of the author and the Taxwink.com is not responsible in regard to correctness of the same. Join WhatsApp/Join Telegram Complete guide to Form 16 for salaried employees. Understand parts A & B, FY 2025-26 updates, how to download, use as TDS proof, and file your ITR. Includes sample form, mistakes to avoid, and tax calculator link. Navigating income tax filing season in India can be overwhelming, especially for salaried employees. One of the most important documents required during this process is Form 16a TDS certificate issued by employers that serves as proof of tax deducted and deposited with the government. Form 16 for Salaried Employees This comprehensive guide explains everything you need to know about Form 16, including how to download it, how it helps in filing your TDS return, the latest FY 2025-26 changes, and how to use it effectively as a tax proof for loans, visa applications, and personal record-keeping. What is Form 16? Form 16 is an official certificate issued under Section 203 of the Income Tax Act, 1961, by employers to salaried employees. It serves as evidence that Tax Deducted at Source (TDS) has been correctly deducted from an employee's salary and deposited with the Income Tax Department. Why is Form 16 important? Form 16 is critical for several reasons: it acts as proof of income and TDS deduction. It simplifies the process of filing your income Tax Return (ITR). It is often required when applying for loans or visas. It shows a detailed breakdown of salary, deductions, and exemptions under different sections like 80C, 80D, etc. Parts of Form 16: Part A and Part B Form 16 is divided into two key sections: Part A and Part B, each serving distinct purposes. Understanding the difference between them is essential for proper tax filing. Component Part A Part B What it contains Employer & employee details, PAN, TAN, TDS deducted Salary breakup, exemptions, deductions, tax computation Issued by Generated by TRACES portal Prepared by employer manually Form source Downloaded by employer from TRACES Custom prepared, often on company letterhead Importance Validates that TDS was deposited with gov't Helps file ITR with accurate salary data Standard Deduction and FY 2025-26 Changes Starting from the Union Budget 2024-25, several changes were introduced that directly impact salaried taxpayers. The most notable among them is the increase in the standard deduction. Key Budget Highlights for Salaried Individuals: Standard Deduction increased to 75,000 (from 50,000) under the new regime. No change in basic exemption limit (2.5 lakh). Continued option to choose between old and new tax regimes while filing ITR. These changes mean Form 16 for FY 2025-26 will reflect a higher deduction under the new regime, helping employees save more on taxes provided they don't have significant itemized deductions under the old regime. For official details, you can refer to the Ministry of Finances income tax update. How to Download Form 16 from TRACES While employees do not directly download Form 16 from TRACES, it is essential to know how your employer generates it, and what to check when you receive it. Employers use the TRACES portal (TDS Reconciliation Analysis and Correction Enabling System) to download Part A after validating employee TDS payments. Steps (for Employers): Log in to the TRACES portal. Go to Download > Form 16. Choose the relevant financial year. Validate using the required KYC information and TDS return acknowledgment number. Download Part A; manually attach Part B prepared internally. As an employee, you should request this from your HR or payroll department by June 15 every year (as per Income Tax Rules). Sample Form 16 Explained (With Annotated View) Understanding how to read your Form 16 can save you from making costly errors during tax filing. Its not just a summary of salary and TDS; it is a document the Income Tax Department may use to verify your return. Lets break it down. Key Sections to Review in Your Form 16A Typical Form 16 contains these vital parts: Section Description Employee & Employer Details PAN, TAN, name, and address of both parties Assessment Year The financial year for which TDS was deducted (e.g., AY 2025-26 for FY 2024-25) Summary of Salary Paid Total salary, taxable income, and components TDS Deducted & Deposited Total tax deducted every month and deposited to government Deductions under Chapter VI-A Sections like 80C, 80D, 80G for savings and investments Verification Section Signature of employer or authorized signatory Having a sample Form 16 can help employees easily understand where to look for each detail. A visual guide with annotations (PAN, deductions, gross salary, tax deducted, etc.) will be added to assist in cross-verification during ITR filing. Form 16 for Multiple Employers in a Year Many employees change jobs during a financial year. This often results in multiple Form 16s, each issued by a different employer for the duration of employment. What to Do If You Have More Than One Form 16 If you've changed jobs: Collect Form 16 from each employer. Add up the salary and TDS from all sources. Report the total gross income in your ITR. Avoid duplication of deductions like 80C, which are common mistakes when using multiple Form 16s. Employer's Gross Salary / TDS Deducted / Form 16 Received / ABC Pvt Ltd (Apr-Sep) / 4,80,000 / XYZ Ltd (Oct-Mar) / 6,20,000 / 26,000 / Yes / Total 11,00,000 / 4,000 Combined in TTRs important to correctly consolidate all income and deductions. Failing to do this can lead to tax notices or even penalties. To help manage this better, you may refer to official guides on Income Tax Return filing with multiple Form 16s provided by the department. Form 16 and Old vs New Tax Regime Your Form 16 may look different depending on whether you opt for the old tax regime (with exemptions and deductions) or the new tax regime (lower slabs, no deductions). Heres a simplified comparison: Particulars Old Tax Regime New Tax Regime (FY 2025-26) Tax Slabs 2.5L to 15L + 3L to 15L + 80C/80D Benefits Available Not available Standard Deduction 50,000 / 75,000 (if opted) Suitable for People with investments Salaried with no deductions Under both regimes, Form 16 continues to serve as your tax proof. However, under the new regime, many sections such as 80C and 80D may show NIL or be missing entirely from the statement. For deeper understanding, visit the Central Board of Direct Taxes (CBDT) portal which explains how both regimes function in detail. Why Form 16 is Crucial as Tax Proof for Loans, Visas, and More Beyond income tax filing, Form 16 serves as an official tax proof in several important life situations. Financial institutions, foreign embassies, and even landlords may request it to verify your income and tax compliance status. Scenarios Where Form 16 is Used as Supporting Document Purpose Why Its Required Home or Personal Loan Banks use Form 16 to assess your income stability and tax-paid status before approving loans. Visa Applications Embassies require Form 16 to verify your annual income and tax records, especially for work or student visas. Credit Card Applications Credit issuers check your financial health using Form 16 as one of the documents. Rental Agreements (in metros) Some landlords ask for Form 16 to validate your job and income claims. Since Form 16 contains the signature of the employer and details of income and tax deposited with the government, it is widely accepted as authentic documentation. For most salaried employees, its the most reliable income tax proof available. You can refer to the HDFC Home Loan eligibility page where Form 16 is one of the listed required documents during the loan process. Common Mistakes in Form 16 That You Must Check Before using your Form 16 to file returns or submit to any authority, its vital to carefully review it for common errors. Even a small discrepancy can lead to notices or delays in processing your ITR. Frequent Issues Found in Form 16 Error Potential Consequence Incorrect PAN/TDS may not reflect in Form 26AS; ITR mismatch Mismatch in salary amount ITR processing delays or tax liability errors Wrong assessment year May cause filing under incorrect financial year Missing deductions Leads to overpayment of taxes Incorrect employer details Visa or loan application rejection due to document mismatch Always compare your Form 16 with Form 26AS before filing returns. If discrepancies are found, you must immediately contact your employer for correction. You can view your 26AS through the TRACES login via the Income Tax portal using your PAN credentials. Can You File ITR Without Form 16? Yes, its possible to file your Income Tax Return even if your employer has not issued a Form 16. This typically happens when: You've left a job before March. The company hasnt generated Form 16 yet. You are a freelancer or consultant and not salaried. In such cases, you must rely on: Form 26AS: Summary of TDS against your PAN Payslips: For salary breakup and deductions Bank Statements: To track monthly credited salary Investment proofs: For claiming deductions under 80C, 80D, etc. Several tax platforms allow you to file ITR without Form 16. The Tax2win guide on filing ITR without Form 16 provides detailed, step-by-step help for this scenario. Calculate Your Tax Using a Form 16-Based Calculator Once you've received your Form 16, the next logical step is to verify your tax liability using a trusted calculator. This ensures your employer has deducted the correct TDS and also helps you file an accurate return retrospectively if you had more than one source of income during the year. Many online tools now allow you to calculate your income tax based on Form 16 details, including salary income, deductions under Chapter VI-A, and tax paid. What You Need Before Using a Tax Calculator: Salary details as per Form 16 Part B Total tax deducted (TDS) as shown in Part A Deductions under 80C, 80D, and others Information on other income (e.g., interest) These fields can be input into tools like the Income Tax Calculator by Economic Times to estimate your actual tax due or refund status. This is especially useful if youre switching between the old and new regimes or if your employer has not factored in all deductions. Some calculators also highlight errors or discrepancies in Form 16 entries for example, missing HRA exemptions or wrong deductions which you can rectify before submitting your return. Timeline: When Should You Expect Form 16? Employers are legally obligated to issue Form 16 annually to their employees, typically after the financial year ends. However, delays are common, and many employees are unsure about when they should expect the form. Key Form 16 Dates: Event/Deadline End of financial year: 31st March (e.g., FY 2024-25 ends 31 Mar 2025) Employer TDS filing deadline: 31st May Form 16 issuance deadline: 15th June ITR filing deadline (usually): 31st July (unless extended) According to official circulars issued by the Central Board of Direct Taxes, employers must issue Form 16 by June 15 of the assessment year. If you have not received it by that date, its advisable to follow up with your employer's HR or finance department immediately. What to Do If Your Employer Doesnt Issue Form 16 While it is mandatory for employers to provide Form 16 to their salaried employees, non-issuance is not entirely uncommon. Companies facing compliance issues or those undergoing transitions may delay or skip this requirement. Heres how you can proceed if you have received your Form 16: Contact HR/Accounts: Request clarification with proper documentation. Use Form 26AS & Salary Slips: Use these to manually file your ITR. Seek Legal Support: In extreme cases, lodge a complaint with the jurisdictional Assessing Officer. Failure to receive Form 16 does not exempt you from filing returns. The tax authorities hold the employee responsible for timely and accurate filing, with or without the document. For complete guidance, the TDS section on the TIN-NSDL portal outlines employer responsibilities and what to do in case of non-compliance. Frequently Asked Questions About Form 16 Understanding Form 16 in detail can help prevent confusion and ensure a smooth income tax filing experience. Here are some of the most common questions salaried employees have regarding this essential document. When is Form 16 issued? Employers must issue Form 16 on or before 15th June following the end of the financial year. For FY 2024-25, it should be issued by 15th June 2025. Is Form 16 mandatory for filing ITR? While Form 16 simplifies the filing process, it is not mandatory. You can file your Income Tax Return using Form 26AS, salary slips, and bank statements. However, having Form 16 ensures your employer has deposited TDS properly. What if the TDS shown in Form 16 is not reflecting in Form 26AS? This may occur due to a mismatch in PAN or delays in filing TDS returns by your employer. In such cases, contact your HR immediately. You can monitor updates using the TRACES portal for Form 26AS. Is Form 16 issued if my income is below the taxable limit? No, if your salary is below the basic exemption limit (2.5 lakh in the old regime, 3 lakh in the new regime) and no tax is deducted, your employer is not required to issue Form 16. However, you may request a salary certificate instead. What password is used to open Form 16 PDF? Most Form 16 files are password-protected. The standard password format is usually your PAN (in uppercase) followed by your birth date in DDDMMYYYY format. Final Summary and Key Takeaways Form 16 remains one of the most critical documents for salaried individuals in India. Whether its for filing your tax return, applying for a home loan, or proving your income to a foreign embassy, its relevance cannot be overstated. What You Should Remember Always cross-check Form 16 with Form 26AS before filing your ITR. Use the latest tax calculator to verify the correctness of your employer's TDS. Keep Form 16 for at least 67 years, as the IT department may request it later. For those under the new tax regime, verify that the 75,000 standard deduction is reflected properly. Filing your tax return using accurate, validated information from Form 16 not only avoids scrutiny but also ensures a higher probability of a smooth refund process, if applicable. For trusted e-filing support, platforms like Clear and IndiaFiling offer structured ITR submission based on Form 16 inputs. FAQ When is Form 16 issued to employees? Employers must issue Form 16 to employees by June 15 of the following financial year. Is Form 16 mandatory for filing income tax? No, you can file ITR without Form 16 using Form 26AS, payslips, and bank statements. What is the password to open Form 16 PDF? The password is usually your PAN (in uppercase) followed by your birth date in DDDMMYYYY format. Can I get Form 16 if my salary is below the taxable limit? No, if no TDS was deducted, employers are not required to issue Form 16. You can request a salary certificate instead. What to do if theres an error in my Form 16? You should immediately contact your employer's HR or payroll team to get it corrected before filing your ITR. Can I use Form 16 for visa or loan applications? Yes, Form 16 is accepted as valid income and tax proof for loans, visas, and other financial applications. The Form 16 is a crucial tax sheet that includes all the necessary details required for an employee to file their Income Tax Returns (ITR). Employers are required to provide Form 16 to their employees at the end of each financial year. This form serves as proof that Tax Deducted at Source (TDS) has been appropriately deducted from the employee's salary and deposited with the government on their behalf. The form is generally released before the end of May for the preceding fiscal year, which runs from April 1st to March 31st. (Representational Image) Also Read | Income Tax Return: What is ITR-1 or Sahaj? Who is eligible to file? In other words, Form 16 is a certificate of tax deduction at source issued by the employer to the employee upon tax deduction. The form is generally released before the end of May for the preceding fiscal year, which runs from April 1st to March 31st. Types of Form 16 Form 16-A: It is a document that provides a concise overview of the amount of tax deducted by an employer or organization from an employee's salary and subsequently deposited with the Income Tax Department. Essentially, this form acts as a representation of the employee's tax deductions and is issued by the employer on the employee's behalf. Also Read | Advance tax payment deadline to end tomorrow: Details here Form 16-B: It is a type of Form 16 that contains a consolidated statement of various financial details related to an employee's income. This statement includes information such as the salary paid to the employee, any deductions made from the salary (if applicable), and any other income disclosed by either the employee or the employer. Steps to file ITR online using Form 16: Gather all required documents and information, including Form 16, a copy of your PAN and Aadhaar card, bank statements, and any other relevant documents. When filing your taxes, make sure to list all of the deductions you are eligible for (like any deductions under 80C, 80D, etc.). Create an account on the Income Tax e-filing portal. If you already have an account, directly login. To begin the process, go to the e-File section and select "Income Tax Return." Based on your income and other factors, select the appropriate Income Tax Return (ITR) form. You can use ITR-1 or ITR-2 if you have Form 16. - Enter the necessary information, such as personal information, income details, deductions, and tax payments. - Validate and submit all data entered in the form. - Once your return has been submitted, e-verify it using any of the available options, such as Aadhaar OTP, etc. Details required from Form 16 while filing ITR- Allowances exempt under Section 10 - Break up of deductions under Section 16 - Taxable salary - Income (or admissible loss) from house property reported by an employee and offered for TDS - Income under the head Other Sources offered for TDS - Break up of Section 80C deductions - The aggregate of Section 80C deductions (gross and deductible amount) - Tax payable or refund due Additional details required Form 16 - Tax deducted at source by the employer - Employer's TAN - Employer's PAN - Employer's name as well as address - Present assessment year - Name and address of the taxpayer - PAN of the taxpayer Steps to download Form 16- Go to the Income Tax Department's official website. - In the 'Forms/Download' section, find the 'Income Tax Forms' option and select it. - Scroll down to Form 16 in the Frequently Used Forms section. - Next, under 'Form 16', you'll see the 'PDF' and 'Fillable Form' options. - Select the appropriate option. On the following page, you will be able to download the form. Form 16 is one of the most important documents required for salaried individuals to file Income Tax Returns (ITR) accurately. The latest update to Form 16 includes a more detailed breakdown of salary components, tax-exempt allowances, and deductions. In this guide, we will explain in detail the components of Form 16 and everything you need to know to understand and use it effectively. What is Form 16? Form 16 is a TDS certificate issued by the employer before June 15th of the following financial year, i.e., after the end of the financial year in which the income was earned. For FY 2024-25, employees will receive their Form 16 by 15th June 2025. It shows the salary earned and the TDS deducted from your salary. Note that in case you shifted jobs during the financial year, it is necessary to collect Form 16 from all the employers you have worked with during that year. In the case of salaried employees, Form 16 plays a very important role when it comes to filing income tax returns. It has two components: Part A and Part B. Part A of Form 16 Part A of Form 16 provides details of TDS deducted and deposited quarterly, details of PAN and TAN of the employer and other information. An employer can generate and download this part of Form 16 through the TRACES (portal). The employer should authenticate the certificate's contents before issuing it. It is important to note that if you change your job in one financial year, each employer will issue a separate Part A of Form 16 for the period of employment. Some of the components of Part A are: Name and address of the employer/TAN and PAN of employer/PAN of the employee/Quarterly summary of total salary payments for the concerned financial year/Summary of tax deducted and deposited quarterly, which is certified by the employer/Part B of Form 16 Part B of Form 16 is an Annexure to Part A. Part B is to be prepared by the employer for its employees and contains details of the breakup of salary and deductions approved under Chapter VI-A. If you change your job in one financial year, you should take Form 16 from all your employers. Some of the components of Part B notified newly are: Detailed breakup of salary/ Detailed breakup of exempted allowances under Section 10/ Deductions allowed under the Income Tax Act (under chapter VI-A): The list of deductions mentioned is as below: Deduction for life insurance premium paid, contribution to PPF etc., under Section 80C/ Deduction for contribution to pension funds under Section 80CC/ Deduction for employees contribution to a pension scheme under Section 80CCD(1) Deduction for taxpayers self-contribution to a notified pension scheme under Section 80CCD(1B) Deduction for health insurance premium paid under Section 80D/ Deduction for interest paid on loan taken for higher education under Section 80E/ Deduction for donations made under Section 80G/ Deduction for interest income on savings account under Section 80TTA/ Tax calculated, surcharge, education and health cess charged, relief under section 89/ Difference Between Form 16, Form 16A and Form 16B Particulars Form 16 Form 16A Form 16B Description TDS certificate issued as proof of tax deducted from the employee's salary/ income. TDS certificate issued for income other than salary, such as interest income, insurance commission, or rent receipts. TDS certificate for property purchase under section 194-IA of the Income Tax Act. Who Issues It Employer/ Financial Institutions Buyer of Property/ Income Covered Salary/ Income Other Income Sale of immovable property - land or building Frequency Issued Annually Issued Quarterly Each time the transaction takes place. Threshold Limit When the income has exceeded the basic exemption limit. When the specific income has crossed the threshold limit for TDS under the respective section. When the sale value of the property or the Stamp Duty Value exceeds Rs.50 Lakhs. Purpose Proof that tax has been deducted at source from the employee's salary and deposited with the government. Essential for filing income tax returns. Issued when TDS is deducted on non-salary income (e.g., interest on fixed deposits, insurance commission, rent receipts). Proof of TDS deduction on property transactions. The buyer furnishes Form 16B to the seller as proof of the tax deduction. Rates Slab rates Rates as specified under respective sections 1% on the amount paid or Stamp Duty Value, whichever is higher. The due date to issue for FY 2024-25 Form 16 is 15th June 2025. If your employer has deducted TDS for FY 2024-25 i.e. from April 2024 - March 2025, then Form 16 must be issued latest by 15th June 2025. If any employer delays or fails to issue Form 16 by the specified date, the employer is liable to pay a penalty of Rs.100 per day until the default continues. What are the Eligibility Criteria for Form 16? According to the regulations issued by the Finance Ministry of the Indian Government, the employer is obliged to deduct TDS if the employee's income is taxable. Therefore, every salaried individual whose income falls under the taxable bracket is eligible for Form 16. If an employee's income does not exceed the basic exemption limit, they will not need to have Tax Deducted at Source (TDS). Hence, in these cases, the company is not obligated to provide Form 16 to the employee. However, nowadays, many organizations issue this certificate to employees as a good work practice. It contains a consolidated picture of the individuals earnings and has other additional uses. Why is Form 16 Required? Form 16 is a very important document as: Proof that the government has received the tax deducted by your employer. Assists in the process of filing your income tax return with the Income Tax Department. Proof of Salary Income Many banks and financial institutions demand Form 16 to verify the persons credentials while applying for loans. How to Download Form 16? You can download Form 16 through TRACES portal. TRACES (TDS Reconciliation Analysis and Correction Enabling System) is an online website by the Income Tax Department of India. This platform allows employers to download Form 16 Part A & B. To download Form 16 from TRACES, follow these steps: Step 1: Visit the official TRACES website. Step 2: If you are already registered, enter your PAN card number (User ID) and Password to log in. For new users, complete the registration process and create a new account. Step 3: Navigate to the Downloads tab and select Form 16. Step 4: Choose the Form type and select the financial year for which Form 16 is required. Step 5: Verify PAN and other details. Step 6: Enter the TDS receipt number and select the date of the TDS. Step 7: Add the total tax deducted and collected. Step 8: Click on submit to request for download. Step 9: Download the files under the Downloads tab once the Form is available for download. Click here to download a sample of Form 16 Benefits of Digital Form 16 With Form 16 now being digitally auto-generated through the Income Tax Departments TRACES portal, it offers the following benefits: Enhanced Accuracy and Reliability: Digital Form 16 ensures consistent and error-free data by being generated directly from the Income Tax Departments TRACES portal. Simplified and Faster Filing Process: Automated data extraction from Digital Form 16 streamlines the ITR filing process, saving time and minimizing errors. Faster Refund Processing: Structured digital data enables quicker tax return processing and faster refund disbursement. Improved Security: Digital Form 16 is securely stored and protected, ensuring confidentiality of financial information. Convenience for Job Changers: Multiple Form 16s can be easily uploaded and consolidated digitally, simplifying tax filing for those who changed jobs. Eco-Friendly and Paperless: The digital format reduces the need for physical paper forms, supporting environmental sustainability by cutting down paper consumption. Key Changes in Form 16 For FY 2024-25 (AY 2025-26) For FY 2024-25, employees will receive their Form 16 by 15th June 2025. For AY 2025-26 all the major key changes in Budget 2024 will be reflected in Form 16. The following are key changes for salaried employees in Form 16 for FY 2024-25/ Higher Standard Deduction of Rs. 75,000 under the New Tax Regime. Increased deduction on Employer's NPS contribution Reflecting TDS on other incomes reported by the employee Form 16 Details When Filing Your Return The following information with respect to salary is available in Form 16 for filing your income tax return for FY 2024-25 (AY 2025-26). Allowances exempt under Section 10 Break up of deductions under Section 16 Taxable salary/ Income (or admissible loss) from house property reported by an employee and offered for TDS Income under the head Other Sources offered for TDS Break up of Section 80C deductions The aggregate of Section 80C deductions (gross and deductible amount) Tax payable or refund due You can also find additional information of your employer in your Form 16 while filing your annual return, such as: TDS deducted by the employer TAN of employer Name and address of employer Current assessment year Your PAN Points to be Noted while Checking Form 16 Once an individual receives Form 16 from the employer, it is their responsibility to ensure that all the details are correct. Make sure to verify the details mentioned in Form 16, for example, details of the amount of income, TDS deducted, etc. If any of the details is mentioned incorrectly, one should immediately reach out to the organizations HR/Payroll/Finance department and get the same corrected. The employer would then correct their end by filing a revised TDS return to credit the TDS amount against the correct PAN. Once the revised TDS return is processed, the employer will issue an updated Form 16 to their employee. Upload Form 16 & File Income Tax Return Our software automatically extracts all the relevant information from your Form 16 and prepares your tax return. You do not need to enter anything manually. Upload your Form 16 to e-File ITR Related Articles! dont have Form 16. How do I file my return? If there is no TDS deducted, is the employer required to issue a Form 16? When does the employer deduct TDS and does not issue a certificate? If no Form 16 has been issued to me, does it mean I don't have to pay tax or file a return? Can you use TRACES to get Form 16 from your employers? How employer can download Form 16 from TRACES? How can I open my Form 16? What is the penalty for not furnishing Form 16 by the employer? What is the difference between Form 16 and Form 16A? Is Form 16 and Income Tax Return the same? What should I do if there is error in my Form 16? How long does it take to get Form 16? How to check the authenticity of my Form 16? Is it mandatory to issue Form 16? What is a Digital Form 16? When will salaried employees receive Form 16 for filing ITR for FY 2024-25 (AY 2025-26)?

Form 16 or TDS certificate are the prime documents that are required while filing ITR. However, there are various other documents required as well such as interest certificate, Form 26AS, Tax-saving investment proof, and other documentary proof. As the Central Board of Direct Taxes (CBIT) revised the form 16 format and clearly notified through an event addressed the taxpayers that this year both Part-A and Part-B of the Form-16 will have to be downloaded from the TRACES portal of the Income Tax Department. If you are reading this article in case to know about how to file income tax return with form 16. Here is the detail guide for the same. Read More: How To File an Income Tax Return for a Salaried Employee What is Form 16? In very simple lingo, Form 16 is your TDS certificate which you may collect from your employer, bank or other entity. This certificate lists all your taxable income and various tax deductions at source. 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Here are the things you must check in Form 16. PAN - Check if the mentioned PAN number in the form matches yours. In case PAN does not match and unknowingly file your ITR, then the tax deducted from your salary will not be reflected in your Form 26AS, though you also can't claim credit. PART A - Importantly check for the consists information of taxes deducted by your employer. PART B - Wisely go-through of the details of income paid by your employer. It must be accurate and error-free. Steps to file your income tax with form 16 When you collect all the required documents i.e. Form 16, Form 26AS, and others along with final computation of tax liability then you sure move to the filing process. Here is the guide for filing ITR on an e-filing website. Login to the website with your credentials. Go to e-File and click on Prepare and submit ITR online. Select the appropriate Income Tax Return Form and assessment year. Fill in the details as asked and then click the Submit button. (there you would request to upload all the required form including Form 16) Upon successful submission you will see a message displaying ITR submit and processed. After that, you need to e-verify your ITR. Doing so there are three different methods for e-verifying ITR. If the return is not e-verified, the ITR-V form (password protected) should be printed, signed and submitted to CPC within 120 days from the date of e-Filing. Also Read: How To Open Password Protected Income Tax Return PDF Were here to help and answer any question you might have. We look forward to hearing from you These are the personal views of the author and the Taxwink.com is not responsible in regard to correctness of the same. Join WhatsApp/Join Telegram Complete guide to Form 16 for salaried employees. Understand parts A & B, FY 2025-26 updates, how to download, use as TDS proof, and file your ITR. Includes sample form, mistakes to avoid, and tax calculator link. Navigating income tax filing season in India can be overwhelming, especially for salaried employees. One of the most important documents required during this process is Form 16a TDS certificate issued by employers that serves as proof of tax deducted and deposited with the government. Form 16 for Salaried Employees This comprehensive guide explains everything you need to know about Form 16, including how to download it, how it helps in filing your TDS return, the latest FY 2025-26 changes, and how to use it effectively as a tax proof for loans, visa applications, and personal record-keeping. What is Form 16? Form 16 is an official certificate issued under Section 203 of the Income Tax Act, 1961, by employers to salaried employees. It serves as evidence that Tax Deducted at Source (TDS) has been correctly deducted from an employee's salary and deposited with the Income Tax Department. Why is Form 16 important? Form 16 is critical for several reasons: it acts as proof of income and TDS deduction. It simplifies the process of filing your income Tax Return (ITR). It is often required when applying for loans or visas. It shows a detailed breakdown of salary, deductions, and exemptions under different sections like 80C, 80D, etc. Parts of Form 16: Part A and Part B Form 16 is divided into two key sections: Part A and Part B, each serving distinct purposes. Understanding the difference between them is essential for proper tax filing. Component Part A Part B What it contains Employer & employee details, PAN, TAN, TDS deducted Salary breakup, exemptions, deductions, tax computation Issued by Generated by TRACES portal Prepared by employer manually Form source Downloaded by employer from TRACES Custom prepared, often on company letterhead Importance Validates that TDS was deposited with gov't Helps file ITR with accurate salary data Standard Deduction and FY 2025-26 Changes Starting from the Union Budget 2024-25, several changes were introduced that directly impact salaried taxpayers. The most notable among them is the increase in the standard deduction. Key Budget Highlights for Salaried Individuals: Standard Deduction increased to 75,000 (from 50,000) under the new regime. No change in basic exemption limit (2.5 lakh). Continued option to choose between old and new tax regimes while filing ITR. These changes mean Form 16 for FY 2025-26 will reflect a higher deduction under the new regime, helping employees save more on taxes provided they don't have significant itemized deductions under the old regime. For official details, you can refer to the Ministry of Finances income tax update. How to Download Form 16 from TRACES While employees do not directly download Form 16 from TRACES, it is essential to know how your employer generates it, and what to check when you receive it. Employers use the TRACES portal (TDS Reconciliation Analysis and Correction Enabling System) to download Part A after validating employee TDS payments. Steps (for Employers): Log in to the TRACES portal. Go to Download > Form 16. Choose the relevant financial year. Validate using the required KYC information and TDS return acknowledgment number. Download Part A; manually attach Part B prepared internally. As an employee, you should request this from your HR or payroll department by June 15 every year (as per Income Tax Rules). Sample Form 16 Explained (With Annotated View) Understanding how to read your Form 16 can save you from making costly errors during tax filing. Its not just a summary of salary and TDS; it is a document the Income Tax Department may use to verify your return. Lets break it down. Key Sections to Review in Your Form 16A Typical Form 16 contains these vital parts: Section Description Employee & Employer Details PAN, TAN, name, and address of both parties Assessment Year The financial year for which TDS was deducted (e.g., AY 2025-26 for FY 2024-25) Summary of Salary Paid Total salary, taxable income, and components TDS Deducted & Deposited Total tax deducted every month and deposited to government Deductions under Chapter VI-A Sections like 80C, 80D, 80G for savings and investments Verification Section Signature of employer or authorized signatory Having a sample Form 16 can help employees easily understand where to look for each detail. A visual guide with annotations (PAN, deductions, gross salary, tax deducted, etc.) will be added to assist in cross-verification during ITR filing. Form 16 for Multiple Employers in a Year Many employees change jobs during a financial year. This often results in multiple Form 16s, each issued by a different employer for the duration of employment. What to Do If You Have More Than One Form 16 If you've changed jobs: Collect Form 16 from each employer. Add up the salary and TDS from all sources. Report the total gross income in your ITR. Avoid duplication of deductions like 80C, which are common mistakes when using multiple Form 16s. Employer's Gross Salary / TDS Deducted / Form 16 Received / ABC Pvt Ltd (Apr-Sep) / 4,80,000 / XYZ Ltd (Oct-Mar) / 6,20,000 / Yes / Total 11,00,000 / 4,000 Combined in TTRs important to correctly consolidate all income and deductions. Failing to do this can lead to tax notices or even penalties. To help manage this better, you may refer to official guides on Income Tax Return filing with multiple Form 16s provided by the department. Form 16 and Old vs New Tax Regime Your Form 16 may look different depending on whether you opt for the old tax regime (with exemptions and deductions) or the new tax regime (lower slabs, no deductions). Heres a simplified comparison: Particulars Old Tax Regime New Tax Regime (FY 2025-26) Tax Slabs 2.5L to 15L + 3L to 15L + 80C/80D Benefits Available Not available Standard Deduction 50,000 / 75,000 (if opted) Suitable for People with investments Salaried with no deductions Under both regimes, Form 16 continues to serve as your tax proof. However, under the new regime, many sections such as 80C and 80D may show NIL or be missing entirely from the statement. For deeper understanding, visit the Central Board of Direct Taxes (CBDT) portal which explains how both regimes function in detail. Why Form 16 is Crucial as Tax Proof for Loans, Visas, and More Beyond income tax filing, Form 16 serves as an official tax proof in several important life situations. Financial institutions, foreign embassies, and even landlords may request it to verify your income and tax compliance status. Scenarios Where Form 16 is Used as Supporting Document Purpose Why Its Required Home or Personal Loan Banks use Form 16 to assess your income stability and tax-paid status before approving loans. Visa Applications Embassies require Form 16 to verify your annual income and tax records, especially for work or student visas. Credit Card Applications Credit issuers check your financial health using Form 16 as one of the documents. Rental Agreements (in metros) Some landlords ask for Form 16 to validate your job and income claims. Since Form 16 contains the signature of the employer and details of income and tax deposited with the government, it is widely accepted as authentic documentation. For most salaried employees, its the most reliable income tax proof available. You can refer to the HDFC Home Loan eligibility page where Form 16 is one of the listed required documents during the loan process. Common Mistakes in Form 16 That You Must Check Before using your Form 16 to file returns or submit to any authority, its vital to carefully review it for common errors. Even a small discrepancy can lead to notices or delays in processing your ITR. Frequent Issues Found in Form 16 Error Potential Consequence Incorrect PAN/TDS may not reflect in Form 26AS; ITR mismatch Mismatch in salary amount ITR processing delays or tax liability errors Wrong assessment year May cause filing under incorrect financial year Missing deductions Leads to overpayment of taxes Incorrect employer details Visa or loan application rejection due to document mismatch Always compare your Form 16 with Form 26AS before filing returns. If discrepancies are found, you must immediately contact your employer for correction. You can view your 26AS through the TRACES login via the Income Tax portal using your PAN credentials. Can You File ITR Without Form 16? Yes, its possible to file your Income Tax Return even if your employer has not issued a Form 16. This typically happens when: You've left a job before March. The company hasnt generated Form 16 yet. You are a freelancer or consultant and not salaried. In such cases, you must rely on: Form 26AS: Summary of TDS against your PAN Payslips: For salary breakup and deductions Bank Statements: To track monthly credited salary Investment proofs: For claiming deductions under 80C, 80D, etc. Several tax platforms allow you to file ITR without Form 16. The Tax2win guide on filing ITR without Form 16 provides detailed, step-by-step help for this scenario. Calculate Your Tax Using a Form 16-Based Calculator Once you've received your Form 16, the next logical step is to verify your tax liability using a trusted calculator. This ensures your employer has deducted the correct TDS and also helps you file an accurate return retrospectively if you had more than one source of income during the year. Many online tools now allow you to calculate your income tax based on Form 16 details, including salary income, deductions under Chapter VI-A, and tax paid. What You Need Before Using a Tax Calculator: Salary details as per Form 16 Part B Total tax deducted (TDS) as shown in Part A Deductions under 80C, 80D, and others Information on other income (e.g., interest) These fields can be input into tools like the Income Tax Calculator by Economic Times to estimate your actual tax due or refund status. This is especially useful if youre switching between the old and new regimes or if your employer has not factored in all deductions. Some calculators also highlight errors or discrepancies in Form 16 entries for example, missing HRA exemptions or wrong deductions which you can rectify before submitting your return. Timeline: When Should You Expect Form 16? Employers are legally obligated to issue Form 16 annually to their employees, typically after the financial year ends. However, delays are common, and many employees are unsure about when they should expect the form. Key Form 16 Dates: Event/Deadline End of financial year: 31st March (e.g., FY 2024-25 ends 31 Mar 2025) Employer TDS filing deadline: 31st May Form 16 issuance deadline: 15th June ITR filing deadline (usually): 31st July (unless extended) According to official circulars issued by the Central Board of Direct Taxes, employers must issue Form 16 by June 15 of the assessment year. If you have not received it by that date, its advisable to follow up with your employer's HR or finance department immediately. What to Do If Your Employer Doesnt Issue Form 16 While it is mandatory for employers to provide Form 16 to their salaried employees, non-issuance is not entirely uncommon. Companies facing compliance issues or those undergoing transitions may delay or skip this requirement. Heres how you can proceed if you have received your Form 16: Contact HR/Accounts: Request clarification with proper documentation. Use Form 26AS & Salary Slips: Use these to manually file your ITR. Seek Legal Support: In extreme cases, lodge a complaint with the jurisdictional Assessing Officer. Failure to receive Form 16 does not exempt you from filing returns. The tax authorities hold the employee responsible for timely and accurate filing, with or without the document. For complete guidance, the TDS section on the TIN-NSDL portal outlines employer responsibilities and what to do in case of non-compliance. Frequently Asked Questions About Form 16 Understanding Form 16 in detail can help prevent confusion and ensure a smooth income tax filing experience. Here are some of the most common questions salaried employees have regarding this essential document. When is Form 16 issued? Employers must issue Form 16 on or before 15th June following the end of the financial year. For FY 2024-25, it should be issued by 15th June 2025. Is Form 16 mandatory for filing ITR? While Form 16 simplifies the filing process, it is not mandatory. You can file your Income Tax Return using Form 26AS, salary slips, and bank statements. However, having Form 16 ensures your employer has deposited TDS properly. What if the TDS shown in Form 16 is not reflecting in Form 26AS? This may occur due to a mismatch in PAN or delays in filing TDS returns by your employer. In such cases, contact your HR immediately. You can monitor updates using the TRACES portal for Form 26AS. Is Form 16 issued if my income is below the taxable limit? No, if your salary is below the basic exemption limit (2.5 lakh in the old regime, 3 lakh in the new regime) and no tax is deducted, your employer is not required to issue Form 16. However, you may request a salary certificate instead. What password is used to open Form 16 PDF? Most Form 16 files are password-protected. The standard password format is usually your PAN (in uppercase) followed by your birth date in DDDMMYYYY format. Final Summary and Key Takeaways Form 16 remains one of the most critical documents for salaried individuals in India. Whether its for filing your tax return, applying for a home loan, or proving your income to a foreign embassy, its relevance cannot be overstated. What You Should Remember Always cross-check Form 16 with Form 26AS before filing your ITR. Use the latest tax calculator to verify the correctness of your employer's TDS. Keep Form 16 for at least 67 years, as the IT department may request it later. For those under the new tax regime, verify that the 75,000 standard deduction is reflected properly. Filing your tax return using accurate, validated information from Form 16 not only avoids scrutiny but also ensures a higher probability of a smooth refund process, if applicable. For trusted e-filing support, platforms like Clear and IndiaFiling offer structured ITR submission based on Form 16 inputs. FAQ When is Form 16 issued to employees? Employers must issue Form 16 to employees by June 15 of the following financial year. Is Form 16 mandatory for filing income tax? No, you can file ITR without Form 16 using Form 26AS, payslips, and bank statements. What is the password to open Form 16 PDF? The password is usually your PAN (in uppercase) followed by your birth date in DDDMMYYYY format. Can I get Form 16 if my salary is below the taxable limit? No, if no TDS was deducted, employers are not required to issue Form 16. You can request a salary certificate instead. What to do if theres an error in my Form 16? You should immediately contact your employer's HR or payroll team to get it corrected before filing your ITR. Can I use Form 16 for visa or loan applications? Yes, Form 16 is accepted as valid income and tax proof for loans, visas, and other financial applications. The Form 16 is a crucial tax sheet that includes all the necessary details required for an employee to file their Income Tax Returns (ITR). Employers are required to provide Form 16 to their employees at the end of each financial year. This form serves as proof that Tax Deducted at Source (TDS) has been appropriately deducted from the employee's salary and deposited with the government on their behalf. The form is generally released before the end of May for the preceding fiscal year, which runs from April 1st to March 31st. (Representational Image) Also Read | Income Tax Return: What is ITR-1 or Sahaj? Who is eligible to file? In other words, Form 16 is a certificate of tax deduction at source issued by the employer to the employee upon tax deduction. The form is generally released before the end of May for the preceding fiscal year, which runs from April 1st to March 31st. Types of Form 16 Form 16-A: It is a document that provides a concise overview of the amount of tax deducted by an employer or organization from an employee's salary and subsequently deposited with the Income Tax Department. Essentially, this form acts as a representation of the employee's tax deductions and is issued by the employer on the employee's behalf. Also Read | Advance tax payment deadline to end tomorrow: Details here Form 16-B: It is a type of Form 16 that contains a consolidated statement of various financial details related to an employee's income