

## A Checklist of Employee Related Forms

Under Draft Income Tax Rules, 2026 | Legacy (Act, 1961) vs. New Framework (Income Tax Act, 2025 & Draft Income Tax Rules, 2026)

The Income Tax Act, 2025 replaces the six-decade-old Income Tax Act, 1961. Every form used by salary-paying employers has been renumbered, restructured, or redesigned. This checklist maps each legacy form to its new equivalent, summarises all material changes, and highlights key compliance risks for payroll, HR, and tax professionals.

10	200%	Rs. 1.5L	TY 2026-27
Key Forms Renumbered	HRA Misreporting Penalty (Section 270A)	Salary Threshold — Perquisite Reporting Split	Applicable Tax Year

Form 124 (replaces Form 12BB) — Employee Claims Statement   (HRA, LTC, Interest on Home Loan, etc.)				
Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)
12BB Rule 26C	Rule 26C	→	124 Sec 392(5)(b) Rule 205	Sec 392(5)(b) Rule 205

### KEY CHANGES & COMPLIANCE NOTES

#### MANDATORY DISCLOSURE

Must specify "Relationship with Landlord" for HRA claims (e.g., parent, spouse, third party).

#### ESSENTIAL DETAILS

Requires Landlord's full Address, PAN Number, and Aadhaar Number as mandatory fields.

#### MANDATORY ANNEXURE (A-1)

A formal House Rent Agreement must be attached as Annexure A-1.

#### PENALTY CLAUSE

Misreporting or under-reporting triggers a 200% penalty under Section 270A.

#### REJECTION RISK

HRA claims will be rejected if relationship or rent particulars appear inconsistent or incorrect.

■ ■ 200% Penalty | Section 270A — Applies even to unintentional misreporting of landlord PAN / Aadhaar.

**Form 130 (replaces Form 16) — TDS Certificate for Salary**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>16</b> Sec 203 Rule 31(1)(a)	Sec 203 Rule 31(1)(a)	→	<b>130</b> Sec 395 Rule 215	Sec 395 Rule 215	<b>TDS Certificate for Salary</b>

**KEY CHANGES & COMPLIANCE NOTES**
**CONSOLIDATED STRUCTURE**

Replaces old Part A / Part B with a single, unified digital-first layout.

**ANNEXURE I (PART C)**

When salary is Rs. 1.5 lakh or below, Form 130 itself includes a detailed perquisite statement in Annexure I (Part C). A separate Form 123 is not required for such employees.

**Form 123 (replaces Form 12BA) — Statement of Perquisites and Fringe Benefits**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>12BA</b> Rule 3	Rule 3	→	<b>123</b> Rule 15	Rule 15	<b>Statement of Perquisites and Fringe Benefits</b>

**KEY CHANGES & COMPLIANCE NOTES**
**SALARY THRESHOLD**

Specifically applicable for employees whose salary exceeds Rs. 1.5 lakh. Employees at or below this threshold have perquisites captured within Form 130 itself.

**ENHANCED BREAKUP**

"Profits in lieu of salary" (golden handshakes, ex-gratia, etc.) now requires more granular reporting to support automated risk assessment by the Income Tax Department.

● ● Threshold Alert | Salary <= Rs.1.5 lakh: perquisites in Form 130 (Annexure I, Part C). Salary > Rs.1.5 lakh: use separate Form 123.

**Form 122 (replaces Form 12B // 12BAA) — Particulars of Other Income or Income from Other Employers**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>12B / 12BAA</b> Sec 192 Rule 26A / 26B	Sec 192 Rule 26A / 26B	→	<b>122</b> Sec 392(4)(a) Rule 204	Sec 392(4)(a) Rule 204	<b>Particulars of Other Income or Income from Other Employers</b>

**KEY CHANGES & COMPLIANCE NOTES**
**CONSOLIDATED FORM**

Old Forms 12B (previous employer income) and 12BAA (other source income) merged into a single Form 122. Employees submit one form to the current employer.

**HOUSE PROPERTY LOSS**

Loss from house property (interest on housing loan for self-occupied property) can now be set off against salary income through this single form.

**Form 39 (replaces Form 10E) — Relief for Salary Paid in Arrears or Advance**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>10E</b> Sec 89 Rule 21A, 21AA	Sec 89 Rule 21A, 21AA	→	<b>39</b> Sec 157(1) Rule 73	Sec 157(1) Rule 73	<b>Relief for Salary Paid in Arrears or Advance</b>

**KEY CHANGES & COMPLIANCE NOTES**
**SIMPLIFIED RELIEF CALCULATION**

Calculation of relief for salary arrears / advance is now aligned with new Section 157 of the Income Tax Act, 2025. The relief benefit is retained but computational steps are simplified.

**UPDATED LEGAL ANCHOR**

All references to old Sec 89 and Rules 21A / 21AA are fully replaced by Sec 157(1) / Rule 73.

**■ ■ Action Required | Employees receiving salary revision arrears or back-dated increments must use the updated Form 39 (not old Form 10E) when filing returns.**

**Form 138 (replaces Form 24Q) — Quarterly TDS Statement for Salary**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>24Q</b> Sec 200(3) Rule 31A	Sec 200(3) Rule 31A	→	<b>138</b> Sec 397(3)(b) Rule 219	Sec 397(3)(b) Rule 219	<b>Quarterly TDS Statement for Salary</b>

**KEY CHANGES & COMPLIANCE NOTES**
**ENHANCED DATA GRANULARITY**

Requires more detailed employee-wise transactional data per quarter to enable "pre-fill ready" ITRs for employees — your quarterly statement directly populates the employee's ITR pre-fill.

**TRACES INTEGRATION**

Direct automated integration with the TRACES portal for real-time discrepancy tracking. Mismatches between Form 138 data and Form 130 issued to employees are automatically flagged.

■■ Software Check | Update payroll software to Form 138 template. Fields optional in old Form 24Q may now be mandatory. A missing field can cause a defective return notice.

**Form 34 (replaces Form 10DA) — Audit Report — Additional Employee Cost Deduction**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>10DA</b> Sec 80JJAA Rule 19AB	Sec 80JJAA Rule 19AB	→	<b>34</b> Sec 146(3)(c) Rule 68	Sec 146(3)(c) Rule 68	<b>Audit Report — Additional Employee Cost Deduction</b>

**KEY CHANGES & COMPLIANCE NOTES**
**STATUTORY REMAPPING**

Deduction for "additional employee cost" is re-anchored to Section 146 of the 2025 Act. All references to old Sec 80JJAA and Rule 19AB are replaced. The deduction benefit itself is retained.

**Form 184 (replaces Form 40A / 40B) — Nomination for Provident or Gratuity Funds**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>40A / 40B</b> Funds Rules	Funds Rules	→	<b>184</b> Funds Rules	Funds Rules	<b>Nomination for Provident or Gratuity Funds</b>

**KEY CHANGES & COMPLIANCE NOTES**

**UNIFIED NOMINATION**

Both old Forms 40A and 40B replaced by a single Form 184. Employees make or modify nominations across all recognised retirement funds (PF, Gratuity, etc.) using one form.

✓ ✓ HR Simplification | Collect a single Form 184 from all new joiners at onboarding instead of multiple fund nomination forms.

**Form 185 (replaces Form 41) — Abstract of Fund Account**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>41</b> Funds Rules	Funds Rules	→	<b>185</b> Funds Rules	Funds Rules	<b>Abstract of Fund Account</b>

**KEY CHANGES & COMPLIANCE NOTES**

**STANDARDISED FORMAT**

Trustees are now mandated to provide the annual provident fund account abstract in the standardised Form 185 format. No more ad-hoc or organisation-specific layouts — employees receive a consistent annual statement.

**Form 30 (replaces Form 10-IA) — Medical Certificate for Disability Claims**

Old Form No. (1962)	Old Section / Rule (1961)		New Form No. (2026)	New Section / Rule (2025)	Description
<b>10-IA</b> Rules 11A / 11E	Rules 11A / 11E	→	<b>30</b> Sec 127 Rule 154	Sec 127 Rule 154	<b>Medical Certificate for Disability Claims</b>

## KEY CHANGES &amp; COMPLIANCE NOTES

**DISABILITY DEDUCTIONS**

Required for employees to claim deductions for severe disabilities, autism spectrum disorders, or cerebral palsy under new Section 127 of the 2025 Act.

**UPDATED LEGAL REFERENCE**

Old Rules 11A / 11E are replaced by Sec 127 / Rule 154.

- ■ HR Action | Update onboarding process to collect Form 30 (not old Form 10-IA) from employees claiming disability-related deductions.

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