

LTC Cash Voucher Scheme's benefit for employees

Due to the COVID19 pandemic, many central government employees are not able to avail of LTC(Leave Travel Concession) because traveling within the country is difficult at current times. Under LTC, the employer repays the traveling expenses of the family of the employee to any place to the employee's hometown. LTC is exempted from income tax only for certain conditions. The exemption is permitted only for only two years within a block of four years.

Conditions for availing of the LTC Cash Voucher Scheme

1. Willing employees need to buy goods and services with GST of 12% or more.
2. Such goods and services must be taken from GST-registered salespersons.
3. The payment mode must be digital.
4. The deadline for making such type of expenditures is up to March 31st, 2021.
5. Employees have to submit GST invoices to get the full cash and tax exemption.
6. In case of purchase amount deficits, the benefits will get reduced comparably.

The LTC scheme is only for the central government and PSU employees. However, the finance minister requested all private companies to implement this scheme for their workers.