Finance Act 1974

Section 12 - Amendment of Fourth Schedule

In the Fourth Schedule to the Income-tax Act, in Part A, -

(a) in sub-rule (3) of rule 5, after clause (b), the following clause shall be inserted, namely :-

"(c) the fund may also consist of any amount transferred from the individual account of an employee in any recognised provident fund maintained by his former employer and the interest in respect thereof.";

(b) in rule 8, with effect from the 1st day of April, 1975, -

(i) in clause (ii), the word "or" shall be inserted at the end;

(ii) after clause (ii), the following clause and Explanation shall be inserted, namely :-

(iii) if, on the cessation of his employment, the employee obtains employment with any other employer, to the extent the accumulated balance due and becoming payable to him is transferred to his individual account in any recognised provident fund maintained such other employer.

Explanation : Where the accumulated balance due and becoming payable to an employee participating in a recognised provident fund maintained by his employer includes any amount transferred from his individual account in any other recognised provident fund or funds maintained by his former employer or employers, then, in computing the period of continuous service for the purposes of clause (i) or clause (ii) the period or periods for which such employee rendered continuous service under his former employer or employers aforesaid shall be included.".