

Income Tax, GST, UPI, pension schemes: Key changes from today

Host of rate revisions from April 1, including higher toll tax

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With the beginning of the new financial year on April 1, a series of regulatory and financial changes like new income tax slabs and rates, unified pension scheme and norms for deactivation of UPI, come into effect that will impact taxpayers, salaried individuals and consumers across the country.

Under the new income tax rules, individuals earning up to Rs 12 lakh in a year will not be required to pay income tax. With a standard deduction of Rs 75,000 the annual tax free income for salaried individuals, will be up to Rs 12.75 lakh.

These income tax-related changes were announced by

Finance Minister Nirmala Sitharaman in the Union Budget presented in the Parliament on February 1.

Both houses of parliament - Lok Sabha and Rajya Sabha - last week approved these tax-related changes as a part of the Finance Bill 2025.

These changes will be reflected in the Income Tax Returns for Financial Year 2025-26 or Assessment Year 2026-27. The new tax rates will be applicable on income earned from April 1, 2025 to March 31, 2026. It will be reflected in the Income Tax Return to be filed post April 2026 till due date. Usually, the due date to file an income tax return for individuals is July 31.

Unified Pension Scheme
A new retirement benefit sys-



Parliament approved these tax-related changes, last week.

tem called Unified Pension Scheme (UPS) for central government employees will become operational from April 1. The scheme was announced last year in August. Through a gazette notification dated March 19, the Pension Fund Regulatory and Development Authority (PFRDA) has announced its operationalisation with effect from the first day of 2025-26 financial year.

The UPS is open to the central government employees who have joined service on or after January 1, 2004. They will also have the option to continue with the National

Pension Scheme (NPS).

UPI

The National Payments Corporation of India (NPCI) has decided to implement new measures to enhance security of digital transactions through the unified payments interface (UPI). The NPCI has directed payment apps like Paytm, PhonePe and GooglePay to phase out inactive numbers.

GST

Multiple changes have come into effect in the Goods and Services Tax (GST) system. The GST portal will now re-

quire multi-factor authentication. E-way bills can now be generated only on those documents that are not more than 180 days old. Hotels that have a room tariff of more than Rs 7,500 per day will be considered as 'Specified Premises'. Restaurant services provided in such hotels will attract 18% GST, but will get the benefit of input tax credit.

Other changes

Major banks, including State Bank of India (SBI), Punjab National Bank (PNB), and Canara Bank have announced revision in their minimum balance requirements for customers. Individuals who have not linked their PAN with Aadhaar will not be able to receive dividend payouts on their stock market investments. For such individuals, TDS will be deducted at higher rates.

Meanwhile the NHAI will implement from April 1 an increase in toll tax ranging from Rs 5 to Rs 25, mostly in northern and eastern national highways.