

A STUDY ON FINANCIAL PLANNING FOR SALARIED EMPLOYEE AND STRATEGIES FOR TAX SAVINGS IN CHENNAI

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

by

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SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119**

APRIL – 2021



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of Ms. Ramya R (39410169) who has done the Project work entitled ,"**A Study On Financial planning for salaried employee and strategies for tax savings in Chennai**" under my supervision from January 2020 to April 2021.

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DECLARATION

I, **RAMYA R (Reg. No. 39410169)** hereby declare that the Project Report entitled **“A Study on Financial Planning for salaried employee and strategies for Tax Savings in Chennai”** done by me under the guidance of Dr. D. Velumoni, MBA., M.Phil.,Ph.D is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 10/4/2021

PLACE: Chennai

RAMYA R

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to **Dr. BHUVANESWARI G.**, Dean, School of Business Administration and **Dr. PALANI A.**, Head, School of Business Administration for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of gratitude to my Project Guide Dr. D. Velumoni., Faculty, School of Business Administration for his/her valuable guidance, suggestions and constant encouragement paved way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the School of Business Administration who were helpful in many ways for the completion of the project.

RAMYA R

ABSTRACT

The research paper related to financial planning and tax savings aspects of salaried employee. Tax Strategies is an important component of tax planning. In Chennai, tax on personal income takes away foremost part of earned income. As every individual salaried employee who have earned early income which is more than a limit as prescribed by the income tax law is liable to pay tax.

Financial planning does not mean skipping the payment of income tax, it is just efficient allocation of earned income in different tax savings investment to acquire maximum benefits by individual salaried employee.

The objective of this paper is to study the financial planning for salaried employee and strategies for tax savings in Chennai. The data was collected through structured questionnaire by Google form filled by 221 employees working in different sectors at Chennai. It was found from the analysis there is relationship between Annual savings, and Age, Income, Sector wise employment education of people at Chennai. Analysis has been through percentage analysis, Correlation, One way, ANNOVA, T-Test, Chi-square. Overall findings of the paper reveals that Sec 80C, 80CCC, 80CCD, 80D, 80E, 80G, deduction is the most adopted tax savings instruments. The paper concludes salaried employee want to know their tax obligations in the right perspective and measures of financial planning available to them so that they can make the best use of their earnings by reducing the incidence of tax.

Keywords: Financial planning, Tax savings, strategies for tax savings, salaried employee.

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1. INTRODUCTION

1.1 Introduction to Financial Planning

Financial Planning is the process of meeting life goals through the proper management of finances. Financial planning is a process that a person goes through to find out where they are now (financially), determine where they want to be in the future, and what they are going to do to get there. Financial Planning provides direction and meaning to persons financial decisions. It allows understanding of how each financial decision a person makes affects other areas of their finances. For example, buying a particular investment product might help to pay off mortgage faster or it might delay the retirement significantly. By viewing each financial decision as part of the whole, one can consider its short and long-term effects on their life goals. Person can also adapt more easily to life changes and feel more secure that their goals are on track.

In simple Financial Planning is what a person does with their money. Individuals have been practicing financial planning for centuries. Every individual who received money had to make a decision about the best way to use it. Typically the decision was either spends it now or save it to spend later. Everyone have to make the same decision every time they receive money. Does it need should be spend now or to save it to spend it later?

Today in India financial planning means only investing money in the tax saving instruments. Thanks to the plethora of tax exemptions and incentives available under various sections and subsections of the Income Tax Act. This has led to a situation where people invest money without really understanding the logic or the rationale behind the investments made. Further the guiding force in investment seems to be the 'rebate' they receive from the individual agents and advisors. The more the rebate an agent gives, the more smug person are in the belief that they have made an intelligent decision of choosing the right agent who has

offered them more rebate. In the process what is not being realized is the fact that the financial future is getting compromised.

1.1.2 Study of various factors

Things to consider while doing financial planning are:

1.1.2.1 Time Horizon and Goals:

It is important to understand what individual's goals are, and over what time period they want to achieve their goals. Some goals are short term goals those that people want to achieve within the year. For such goals it is important to be conservative in one's approach and not take on too much risk. For long term goals, however, one can afford to take on more risk and use time to one's advantage.

1.1.2.2 Risk Tolerance:

Every individual should know what their capacity to take risk is. Some investments can be more risky than others. These will not be suitable for someone of a low risk profile, or for goals that require being conservative. Crucially, one's risk profile will change across life's stages. As a young person with no dependants or financial liabilities, one might be able to take on lots of risk. However, if this young person gets married and has a child, person will have dependants and higher fiscal responsibilities. So persons approach to risk and finances cannot be the same as it was when they were single.

1.1.2.3 Liquidity Needs:

When does money is needed to meet the goal and how quickly one can access this money. If investment is made in an asset and expects to sell the asset to supply funds to meet a goal, then it needs to be understood how easily one can sell the asset. Usually, money market and stock market related assets are easy

to liquidate. On the other hand, something like real estate might take a long time to sell.

1.1.2.4 Inflation:

Inflation is a fact of the economic life in India. The bottle of cold drink that is brought today is almost double the price of what would be paid for ten years ago. At inflation or slightly above 4% per annum, a packet of biscuits that costs Rs 20 today will cost Rs. 30 in ten years time. Just imagine what the cost of buying a car or buying a home might be in ten years time! The purchasing power of money is going down every year. Therefore, the cost of achieving goals needs to be seen in what the inflated price will be in the future.

1.1.2.5 Need for Growth or Income :

As person make investments think about what is required, whether capital appreciation or income. Not all investments satisfy both requirements. Many people are buying apartments, but are not renting them out even after they take possession. So, this asset is generating no income for them and they are probably expecting only capital appreciation from this. A young person should usually consider investing for capital appreciation to take advantage of their young age. An older person however might be more interested in generating income for themselves.

1.1.3 Six step process of Financial Planning

1.1.3.1 Self assessment:

Clarify present situation, this is a preliminary step someone has to complete prior to planning their finance. Doing a self assessment enable a person to understand their present wealth status and responsibilities. Self assessment should contain following

- Prospective retirement age
- Main source of income

- Dependents in family
- Expenses and monthly savings
- Current investment status

One should identify their wealth status prior to move with financial planning.

1.1.3.2 Identify financial, personal goals and objectives

Each individual aspires to lead a better and a happier life. To lead such a life there are some needs and some wishes that need to be fulfilled. Money is a medium through which such needs and wishes are fulfilled. Some of the common needs that most individuals would have are creating enough financial resources to lead a comfortable retired life, providing for a child's education and marriage, buying a dream home, providing for medical emergencies, etc.

Once the needs/ objectives have been identified, they need to be converted into financial goals. Two components go into converting the needs into financial goals. First is to evaluate and find out when it is needed to make withdrawals from investments for each of the needs/ objectives. Then person should estimate the amount of money needed in current value to meet the objective/ need today. Then by using a suitable inflation factor one can project what would be the amount of money needed to meet the objective/ need in future. Similarly one need to estimate the amount of money needed to meet all such objectives/needs. Once person have all the values they need to plot it against a timeline.

1.1.3.3 Identify financial problems or opportunities:

Once goals and current situation are identified, the short fall to achieve the goal can be assessed. This short fall need to be covered over a period of time to full fill various need at different life stages. Since future cannot be predict, all the contingencies should will doing financial planning. a good financial plan should hedge from various risk. A flexible approach should be taken to cater to changing needs and should be ready to reorganize our financial plan from time to time.

1.1.3.4 Determine recommendations and alternative solutions:

Now review various investment options such as stocks, mutual funds, debt instruments such as PPF, bonds, fixed deposits, gilt funds, etc. and identify which instrument(s) or a combination thereof best suits the need. The time frame for investment must correspond with the time period for goals.

1.1.3.5 Implement the appropriate strategies to achieve goals:

Until person put things into action everything is waste. Necessary steps needs to be taken to achieve financial goals this may include gathering necessary documents, open necessary bank, trading account, liaise with brokers and get started. In simple terms, start investing and stick to the plan.

1.1.3.6 Review and update plan periodically:

Financial planning is not a one-time activity. A successful plan needs serious commitment and periodical review (once in six months, or at a major event such as birth, death, inheritance). Person should be prepared to make minor or major revisions to their current financial situation, goals and investment time frame based on a review of the performance of investments.

1.1.4 Constitute of Financial Planning

A good financial plan should include the following things

- Contingency planning
- Risk Planning (insurance)
- Retirement Planning
- Tax Planning
- Investment and Savings Option

1.1.4.1 Contingency planning

Contingency means any unforeseen event which may or may not occur in future. Contingency planning is the basic and the very first step to financial planning. It was found that a large number of people have invested in financial planning

instrument but have ignored their contingency planning. Why it is more important to have a contingency plan? May will have planned for their future that's a great thing, this would definitely help in long run. But there is always a million dollar question to be asked, What about today, is there a plan in place? Everyone would think that they have a secure present with regular salary, but what if suddenly something happens and it is not possible to draw that monthly income. There are many possibilities that due to illness, injury or to care of family member a huge amount of money is required. Moreover in this era of pink slip and job hopping its not assured that the next job will be available at the earliest. This are temporary situation and for a short phase but cannot be ignored.

If person is not planned for contingencies he will use his long term investment to fund such rises. It is possible that long term investment may not give enough returns if withdraw nearly there is also a possibility of capital erosion. In such situation all the financial plans made are of waste. With long term planning person also need to take care of present situation in order to truly achieve financial goals. It is a thumb rule that one should have three times money of monthly salary in liquid form to support contingency.

1.1.4.2 Risk Coverage

Every individual is exposed to certain type of risk whether it is due to loss or damage of personal property, loss of pay due to illness or disability; or even due to death. Such risk cannot be determined but on occurrence there may be a financial loss to the individual or their family. Proper personal financial planning should definitely include insurance. One main area of the role of personal financial planning is to make sure that one has the ability to carry on living in case of some unforeseen and unfortunate event. Basically, insurance provides a safety net to provide the necessary funds when one meets with events like accidents, disabilities or illnesses. One main contribution of insurance is that it helps provides peace of mind, knowing that enough funds are at hand in the event when things do not go the way it should be. This peace of mind leaves one with the energy and confidence to move forward

1.1.4.3 Health Risk

Lifespan of Indian is known to have increased nowadays, and senior citizens strive to stay healthy and active as they age. However, the older person gets the more extensive health care is needed. Though staying forever young remains a dream unattainable, living a long and safe quality life at peace is quite an achievable goal. Health insurance is an insurance Policy that insures against any medical expenses. Insured medical expenses will be taken care of by the insurance company provided person pays their premium regularly. Cover extends to pre-hospitalization and post-hospitalization for periods of 30 days and 60 days respectively. Domiciliary hospitalization is also covered. There are various type of health insurance. Disability insurance can protect against the loss of a person's ability to earn a living. Critical illness insurance can afford some protection from expending reserved financial resources due to an unforeseen major illness

1.1.4.4 Property Coverage

Property Coverage insures personal property from damage, destroy or stolen. Dwelling coverage also known as Homeowners Insurance offers protection against direct physical damage caused to the dwelling, including rooms, fireplaces, carpeting, tile floors and elements of decor. Structures, which are attached to the insured dwelling on the same foundation, such as a garage, are also liable to coverage under this section of Homeowners Insurance. Besides, this section of policy covers materials and supplies necessary to rebuild or repair home. Person Property Coverage can insure the contents of home, i.e. the items person regularly use which are not a permanent part of their house's or apartment's structure, such as furniture, television sets, bikes, clothing, appliances, utensils and tools. Personal Property Coverage can be used in appliance to valuable information saved in a hard-copy form or as electronic data.

1.1.4.5 Tax Planning

A good plan is one which takes the maximum advantage of various incentives offered by the income tax laws of the country.

However, do understand that the tax incentives are just that, only incentives. Financial planning objective should be getting maximum advantage of various avenues. It is to be remembered that tax planning is a part and not financial planning itself. There are many investments which do not offer tax shelter that does not mean they are not good investments. The prudent investment decision made and the returns that accrue will more than offset the tax outgo. In any case the primary objective of a good financial plan is to maximize the wealth, not to beat the taxmen. However many investment provides great returns which can offset the tax on it. But with the knowledge of the Income Tax (IT) Act one can reduce income tax liability. It also helps to decide, where to invest and to claim deductions under various sections. The income earned is subject to income tax by the government. The rate of income tax is different for different income levels, and thus, the income tax payable depends on the total earnings in a given year

Table – 1.1 Income Tax Slab 2020 – 2021

Income Range Per annum	Tax Rate as per Old Regime	Tax Rate as per New Regime
UptoRs 2.50 Lakh	No Tax	No Tax
Rs 2.50 Lakh – Rs 5 Lakh	5%	5 %
Rs 5 Lakh – Rs 7.50 Lakh	20%	10%
Rs 7.50 Lakh – Rs 10 Lakh	20%	15%
Rs 10 Lakh – 12.50 Lakh	30%	20%
Rs 12,50,000 – Rs 15,00,000	30%	25%
Above Rs 15,00,000	30%	30%

1.1.5 Qualified investment under Section 80C are:

(A) Provident Fund (PF): The payment that is made to PF is counted towards Sec 80C investments. For most persons who are salaried, this amount gets automatically deducted from their salary every month. Thus, it's not just compulsory savings for future, but also immediate tax savings.

(B) Voluntary Provident Fund (VPF): If person increase PF contribution over and above the statutory limit (as deducted compulsorily by employer), even this amount qualifies for deduction under section 80C.

I Public Provident Fund (PPF): If person have a PPF account, and invest in it, that amount can be included in Sec 80C deduction. The minimum and maximum allowed investments in PPF are Rs. 500 and Rs. 70,000 per year respectively.

(D) Life Insurance Premiums: Any amount that person pay towards life insurance premium for self, spouse or children can also be included in Section 80C deduction. Please note that life insurance premium paid by person for their parents (father / mother / both) or in-laws is not eligible for deduction under section 80C. If premium are paid for more than one insurance policy, all the premiums can be included. It is not necessary to have the insurance policy from Life Insurance Corporation (LIC) – even insurance bought from private players can be considered here.

(E) Equity Linked Savings Scheme (ELSS): There are some mutual fund (MF) schemes specially created for offering tax savings, and these are called Equity Linked Savings Scheme, or ELSS. The investments that are made in ELSS are eligible for deduction under Sec 80C.

(F) Home Loan Principal Repayment: The Equated Monthly Installment (EMI) that is paid every month to repay home loan consists of two components – Principal and Interest. The principal component of the EMI qualifies for deduction under Sec 80C. Even the interest component can save significant income tax – but that would be under Section 24 of the Income Tax Act

(G) Stamp Duty and Registration Charges for a home:

The amount paid as stamp duty while buying a house and the amount paid for the registration of the documents of the house can be claimed as deduction under section 80C in the year of purchase of the house.

(H) National Savings Certificate (NSC):

The amount that is invested in National Savings Certificate (NSC) can be included in Sec 80C deductions.

(I) Infrastructure Bonds:

These are also popularly called Infra Bonds. These are issued by infrastructure companies, and not the government. The amount invested in these bonds can also be included in Sec 80C deductions.

(J) Pension Funds – Section 80CCC:

This section – Sec 80CCC – stipulates that an investment in pension funds is eligible for deduction from income. Section 80CCC investment limit is clubbed with the limit of Section 80C – it means that the total deduction available for 80CCC and 80C is Rs. 1 Lakh. This also means that investment in pension funds upto Rs. 1 Lakh can be claimed as deduction u/s 80CCC. However, as mentioned earlier, the total deduction u/s 80C and 80CCC cannot exceed Rs. 1 Lakh.

(K) Bank Fixed Deposits:

This is a newly introduced investment class under Section 80C. Bank fixed deposits (also called term deposits) having a maturity of 5 years or more can be included in Sec 80C investment.

(L) Others:

Apart from the major avenues listed above, there are some other things, like children's education expense (for which receipts are needed), that can be claimed as deductions under Sec 80C.

1.1.5.1 Medical claim (Sec 80D)

Individual and Hindu Unified Families (HUF) are eligible for deduction under Section 80D for medical claim premium paid. Deduction can be claimed on

premium paid for assessee, spouse, dependent children and dependent parents. The criteria of dependency isn't applicable in case of a spouse (i.e. she/he may even be independent, but the assessee can still pay the premium on his/her life to get tax benefits for the same).

Deduction – For non-senior citizens:

The amount of medical claim insurance premium paid or Rs. 15000, whichever is less For senior citizens: The amount of medical claim insurance premium paid or Rs. 20000, whichever is less.

1.1.5.2 Interest and Dividend Received (sec 80L)

Deduction up to a maximum of Rs. 15,000 (out of which Rs. 3,000 is specially dedicated to government securities) is allowed from the taxable income in respect of aggregate earnings from some specified sources. The schemes are : Deposits with Banking Company, Co-operative Banks & Co-operative Societies.

Approved financial corporations or public companies to provide long-term finance for industrial or agricultural development or for construction or purchase of residential houses; it may be noted that the 'Home Loan Account Scheme' of National Housing Bank is not covered by Sec. 80L but it enjoys the benefit of tax rebate u/s 88.

- Housing Boards
- Small Savings Schemes
- National Savings Certificates
- Post Office Time and Recurring Deposits
- National Savings Scheme, 1992
- Post Office Monthly Income Scheme
- Notified debentures of co-operative societies or institutions or public sector companies
- Government Securities

1.1.6 Tax planning with section 80C – An age wise strategy

Typically, most people invest a large part of the money in Public Provident Fund

(PPF) and the rest is taken care of by life insurance premiums and so on. However, investing this amount blindly is not the best way to go about it. Here's some help on how to go about allocating this 80C limit depending upon age.

1.1.6.1 Age 21-30:

In the initial phase of six-seven years of this age bracket, most people are single and little or no dependents. If there are no dependents, it's not necessary to have a large life insurance. Instead focus on returns. Considering the state of the equity markets today, a substantial portion – around 70 per cent to 80 per cent of the 80C contribution can be made in ELSS, which invests primarily in stocks. This will ensure that the process of investing for the long term has been started. Also, since there is a lock-in of three years for these schemes, it will lead to a forced savings. When choosing an ELSS investment, look at consistency rather than a one-off performance. Go for fund houses that have a good track record over a long time period. The balance can go into GPF or EPF

1.1.6.2 Age 31-45:

By this time, person is expected to be married with small children. Also, there could be additional liabilities like buying a house or car. The first step that must be taken is to get adequate life insurance, for dependents and liabilities. Make sure to cover all the liabilities so that dependents are not under any financial pressure, in case of an unfortunate mishap. Use a term plan to get the highest possible cover at a low cost. Children college fees can be included as a part of the 80C benefits. The home loan principal payout can form the second leg of the contribution for this age group. So, besides EPF contribution, life Insurance premiums and home loan principal should be sufficient to take care of the entire Rs 1 lakh requirement. If there is still any shortfall, look at ELSS investments and Provident Fund

1.1.6.3 Age 46-60:

Person is probably at the peak of the career or moving towards it. This is most likely the final phase of earning a regular income. There is a good chance that

loans have been paid-off by now and children are in the stage of becoming independent. The last few years of this phase is when a lot of families plan and should retire their loans. It is also an age where life insurance is of extreme importance. Re-evaluate need for life cover at this point of time. If life cover is needed more, increase it substantially. Health insurance need to be included due to various diseases and illness taking toll with growing age. Hence, risk management is of extreme importance here. Once again after person is well-insured, they must contribute as much as they can towards Provident Fund. This is because it has maximum liquidity and could withdraw these tax-free funds (as would have completed the mandated 5 years). One can also go for PPF first and then invest the balance in ELSS

1.1.6.4 Senior citizens:

In this age group, capital protection and need for regular income are two most important needs. One must first opt for a Senior Citizens' Savings Scheme that will give tax benefit. Since SCSS is generally parked in a lump sum, look at fixed deposits only if they are giving high interest rates. If interest rates are low, then person should opt for PPF, if person is in the highest tax bracket as liquidity is still the best (account should have completed 15 years a long time ago) and can withdraw tax-free amounts comfortably. A minor portion, around 10-15 per cent, of investments can go into ELSS, as it has the ability to beat inflation and give growth in funds. However, do this only after income needs are secured

1.1.6.5 Retirement Planning

A retirement plan is an assurance that person will continue to earn a satisfying income and enjoy a comfortable lifestyle, even when they are no longer working. Due to the improved living conditions and access to better medical facilities, the life expectancy of people is increasing. This has led to a situation where people will be spending approximately the same number of years in retirement what they have spent in their active working life. Thus it has become imperative to ensure that the golden years of the life are not spent worrying about financial hardships. A proper retirement planning, to a very large extent, will ensure this. Planning

ahead will let enjoy the retirement that is deserve. The retirement strategies decide upon now makes a fundamental difference to the degree of financial freedom one will experience when they do decide to take their pension. Planning for retirement and choosing a pension strategy to safeguard financial security can be a minefield. In the last few years, there have been many changes; the volatility of the stock market, reduction of final-salary pension schemes, the rise of buy-to-let property portfolios and changes in taxation and pension legislation. These changes underline the importance of both setting a retirement plan in place and of keeping it up-to-date.

1.1.7 Reason for doing Retirement planning can be understood with the following:

1.1.7.1 Life expectancy

With advancement in technology life expectancy is likely to increase.

Which means a person would be spending a large amount of time in his post retirement period. Thus one needs to have a regular income to sustain living which is only possible if prepared for it when earning.

1.1.7.2 Medical emergencies

With age come health problems. With health problems, come medical expenditure which may make a huge dent in post retirement income. Failure here could lead to liquidate (sell) assets in order to meet such expenses. Remember medical claims do not always suffice.

1.1.7.3 Nuclear families

Independence is the new way of life, gone are the days when people use to have an entire cricket team making a family. Today's youth prefer not more than two children. With 14 esternization coming in, the culture of joint family is changing. Most prefer independence and stay away from their family. Hence people have to develop a corpus to last them through their retirement without any help from

family.

1.1.7.4 No government sponsored pension plan

Unlike the US and UK where they have IRA and state pension respectively as social security benefit during retirement, the government of India does not provide such benefits. So, persons are responsible for themselves now.

1.1.7.5 Job hopping

With youngsters hopping jobs regularly they do not get benefit of plans like super annuity and gratuity. Both these require certain number of working years spent in the service of a particular employer

1.1.7.6 Inflation

In India persons employed in the organized sector have some form of social security such as Employees Provident Fund (EPF), Employees Pension Scheme (EPS) and gratuity. Those who are employed in government and its related arms also enjoy the benefit of pension along with GPF and gratuity. But these two sections account for only seven per cent of the working population. The remaining 93 per cent of the people have no form of mechanism to take care of their retirement. Over 80 per cent of Indian employees have done no retirement planning independent of any mandatory government plans. Those who plan for retirement have the option of investing in Public Provident Fund (PPF), pension plans and retirement plans offered by the insurance companies. Currently, the insurance sector accounts for 4.1 per cent of the GDP and out of this pension accounts for 1.6 per cent. These numbers reconfirm that Indians are not well prepared to meet their life post-retirement. Hence, one needs to plan for retirement in the early part of one's working life along with other goals. Retirement planning consists of two parts: one is accumulation of savings and the other is earning an annuity from the savings. During the accumulation phase, one has to plan for a required amount at the start of retirement and based on individual risk appetites one can plan to achieve this through various asset classes. But post-retirement one has to earn interest on the savings without

taking too much of risk. At the same time have to try to outpace the inflation rate to ensure that person can sustain with the savings for rest of the life. During the accumulation phase one has to look out for the tax efficient way of savings. For example, PPF, pension plans offered by the insurance companies and the retirement plans offered by the mutual funds are very tax efficient. The maturity proceeds of all these plans are tax free. In selecting a pension plan, one has to keep a watch on the recurring expenses. As the investment is for the long term, recurring expenses can have the effect of reducing returns over the long term.

1.2 INDUSTRY PROFILE

1.2.1 FINANCIAL SERVICES INDUSTRY

There is a potential source of confusion regarding careers in finance. On the one hand, there is a function called finance that is common to all business enterprises, in every industry. On the other hand, there is a financial services industry. The primary focus of this guide site is on the latter definition. Additionally, note that the finance function is one of many possible career paths within the financial service industry.

1.2.2 INDIA'S FINANCIAL SERVICES INDUSTRY

An innovative, competitive and thriving financial services industry in any country plays a vital role in its smooth functioning and development. India's financial services sector has posited a stable growth curve over the years driven by sound fundamentals, rising personal incomes corporate restructuring, financial sector liberalization and the growth of a consumer-oriented, credit-oriented culture. This has led to the increasing demand for financial products, including consumer loans (especially for cars and homes), as well as for insurance and pension products. The soaring demand for financial services offers promising investment prospects. According to the Central Statistical Organization (CSO) data, released

early this year, financial services, banking, insurance and real estate sectors rose by 9.7% 2009-10.

1.2.3 FINANCIAL SERVICES INDUSTRY'S GROWTH POTENTIAL

The financial industry, or financial services industry, includes a wide range of companies and institutions involved with money, including businesses providing money management, lending, investing, and insuring and securities issuance and trading services. The following institutions are a part of the financial industry:

- Banks
- Credit card issuers
- Insurance companies
- Investment bankers
- Securities traders
- Financial planners
- Security exchanges

1.2.4 FINANCIAL PLANNING INDUSTRY

Financial services refer to services provided by the finance industry. The finance industry encompasses a broad range of organizations that deal with the management of money. Among these organizations are banks, credit card companies, insurance companies, consumer finance companies, stock brokerages, investment funds and some government sponsored enterprises. The Indian financial services industry has undergone significant changes over the years, particularly in the last decade, and continues to evolve today. Financial Planning – a distinct element within the spectrum of financial services industry – is still relatively a young discipline. But personal finance products & services are increasingly becoming an important part of this industry as the Indian consumers seek to maximize and optimize the potential earnings and fruits of their hard-earned money.

Currently, there are distinct divisions within the financial services industry. A person goes to a bank to save his money or to get a loan. He buys stocks and

bonds from a broker. He purchases insurance from an insurance agent and mutual funds from a mutual fund distributor. The regulation of the industry reflects the division of these transaction-based services.

Table 1.2: Financial planning

Category	Products for sales and advice
Insurance agent	Insurance policies
Mutual fund distributor	Mutual funds
Equity share broker/sub-broker	Share trading, IPOs
Income tax consultant	Tax planning, Employee Benefits
Distributor/Advisor of multiple financial products & services	MFs, Insurance, Post office schemes, share trading, tax etc

Indians have been making investment through such agents which was restricted to a particular product. Apart from the above agent friends and professionals like Chartered Accountant played an important role in investment decisions. This is how for few decades investors have been doing their Financial Planning.

However, financial services, especially on the retail side, have undergone a major transformation and financial consumers are demanding a holistic & comprehensive approach to their personal finance. Various factors have catalyzed this change like privatization of insurance and mutual fund sectors has increased product options for the investor. Second, fluctuating interest rates and the end of 'guaranteed return' products have prompted investors to look for alternative modes of investment. And also with a number of mis-selling instances taking place in the financial markets, investors' confidence in 'advisors' has been shaken and the investors are asking for a 'trusted financial advisor'

1.3 NEED OF STUDY

Taxation is considered as a complex matter affecting financial planning of each individual income tax. The need of the present study is limited to the tax planning measures adopted by the salaried employee of tax savings. The study also evaluates the strategies of tax saving as employees on tax laws and tax planning measures. The savings habits, investment pattern, repayment of liabilities, tax planning measures adopted for the period under study of employees on tax laws and tax planning measures were studied and evaluated.

1.4 SIGNIFICANCE OF THE STUDY

Financial Planning is an integral part of any individual life, especially in this modern world where value of everything is expressed in terms of money. The active working span of human life is short as compared to the life span. This means people will be spending approximately the same number of years in after retirement what they have spent in their active working life. Thus it becomes important to save and invest while working so that person will continue to earn a satisfying income and enjoy a comfortable lifestyle.

Financial Planning enables a person to identify their goals, assess the current position and takes necessary steps to achieve the goals. It helps us to understand how financial decisions made effect our life. Financial Planning is not just about investment planning but it is about life time planning. Thus through proper financial planning a person can have a easy and secured financial life.

1.4.1 Scope of the study

The scope of study is getting familiar with various investment avenues available in market. To study the life stages of an individual and to identify their risk tolerance, income flow, life goals and current investment. Study should cover all areas of the individuals financial needs and should result in the achievement of each of the individuals goals.

The scope of planning will include the following:*

- Risk Management and Insurance Planning
- Investment Planning
- Retirement Planning
- Tax Planning

1.5 OBJECTIVES OF STUDY

PRIMARY OBJECTIVE

- To study the financial planning for salaried employee and strategies for tax savings in Chennai.

SECONDARY OBJECTIVE

- To identify which factor that influence the Financial Planning of employee
- To find the Income and Savings of the salaried employee in Chennai
- To find out Tax saving strategies adopted by salaried employee
- To study the influence of financial planning and strategies of tax savings on various demographic factors.

1.6 STATEMENT OF THE PROBLEM

- ✚ Tax planning is possible through appropriate savings and wise financial planning decision.
- ✚ Tax payers normally turn away of their tax liability only towards the end of the financial year.
- ✚ This leaves them with little option to invest or save with the available income.
- ✚ The real issue would relate to having awareness about the numerous provisions that would help in the tax liability.

1.7 LIMITATIONS OF THE STUDY

- The analysis of the present study has been carried out based on the information has collected from salaried employees.
- The study is an opinion survey; caution may have to be exercised while extending the result to other areas.
- Due to time constrict only 221 numbers of respondents were considered.
- The result fully depends on the information given by the respondents which may be base.

2. REVIEW OF LITERATURE

A literature review is a body of text that aims to review the critical points of current knowledge on a particular topic. Most often associated with science-oriented literature, such as a thesis, the literature review usually precedes a research proposal, methodology and results section. Its ultimate goal is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as the justification for future research in the area.

Generally, the purpose of a review is to analyze critically a segment of a published body of knowledge through summary, classification, and comparison of prior research studies, reviews of literature, and theoretical articles. In my study I have referred following reviews.

Shweta Rokde (2020) “An Analysis on Investment and Saving Pattern of Salaried Employees with the Reference to Nagpur City” “Don’t save what is left after spending; spend what is left after saving”, a very famous and true quote given by Warren Buffet. In today’s competitive and high risky world every person knows the importance of saving. And for saving he/she must know what the various avenues of investment in modern era are. Now a days when one fresh graduate or postgraduate person complete his/her study and join to his/her dream companies or job and when he/she gets his/her first salary in their hand, that moment for him/her is just like they got success.

Bitto Benny (2018) “A Study on Tax Awareness and Planning Measures Adopted by the Salaried Class in Bangalore City” The economy of India is a developing mixed economy. It is the world’s sixth largest economy by nominal GDP and the third largest by purchasing power parity. The salaried employees constitute a stable class of tax payers who contribute to the public exchequer about 12 percent of the total revenue collection by the way of income tax.

Geethu Gopi, Priyanka and Preetha (2018) “An Insight Into the Savings and Investment Pattern of Salaried Employees Working in Private Sector of Shipping Industries at Ernakulam” Investment is an activity confined to specific financial

aims of investors. The studies were conducted by a structured questionnaire issued to the 100 salaried employees of shipping industries in Ernakulam district. Convenient random sampling method is used for selecting the sample of 100 employees from ten shipping industries in Ernakulam. They are tending to risk adverse investors.

Suchithra, Vidhya (2019) "A Study on the Awareness of Tax Saving Instruments of Individual Tax Payers" Tax planning means the assessment of one's financial affairs without violating the legal provisions of an act. It reduces the burden of taxation of an assessee by taking the full advantage of exemptions, deductions, rebates and relief permitted under the act. This study aims to know the most suitable and popular tax saving instrument used to save tax and to know the amount saved by using that instruments by the assessee in sree krishnapuram.

Pritam B. Bhawar, Shubham V. Shirsath (2018) "A Study of Tax Saving Schemes Adopted by Individual Assessee" The aim of the paper "A study of tax saving schemes adopted by individual assessee" is to spread awareness about the importance of tax payment and the schemes available for individual tax payers under the Income Tax Act, 1961. Taxes are looked at as unnecessary burden and many people find it unjust to pay more taxes as their income increases. This paper will bring up the positive effects of timely tax payment and the benefits that can be enjoyed along with it. Taxation is supposed to be a helping hand for the overall development of the nation.

Firos Khan MC (2019) "A Study of Saving and Investment Avanus of Salaried Class People with Reference to Kerela" The investment aims at the multiplication of money at higher or lower rates depending upon whether it is long term or short term investment and whether it is risky or risk-free investment. Investment activity involves the creation of assets or exchange of assets with a profit motive. Most of the investments are considered to transfers of financial assets from one person to another. Various investments options are available with the differing risk-reward trade-off. Finance refers to the concept of deferred consumption which

may involve purchasing an asset, giving a loan or keeping funds in a bank account to generate future returns.

Krishna Kumari (2018) "Impact of Savings and Investment Behaviour of Working Women in Chennai City" The present study tries to explore the factors influence the savings and investment behavior of a sample of 100 working women investors in Chennai city. The study uses percentage analysis, factor analysis and analysis for variance to test the hypothesis. The paper concludes Women investors should look in all avenues while investing their valuable income.

Million Assefa, & Durga Rao (2018) "Financial Literacy and Investment Behavior of Salaried Individuals" Financial literacy improve individual's understanding of financial matters that enable them to make effective use of investment avenues and services by evaluating associated risks and returns and finally choosing those avenues which are best suited to them.

Blessy A. & Varghese (2019) "A Study on Tax Planning Measures Adopted by Salaried Class with Special Reference to Chengannur Municipality, Alappuzha District" The economy of India is a developing mixed economy. It is the world's sixth largest economy by nominal GDP and the third largest by purchasing power parity. The salaried employees constitute a stable class of tax payers who contribute to the public exchequer about 12 percent of the total revenue collection by the way of income tax. Tax planning has assumed special importance for salaried class of tax payers in view of the mounting pressures of inflation, price hike and their and strict obligation for tax compliance.

Abhishek Janvier Frederick, Sebastian (2017) "A Comprehensive Study among the Working Women towards the Awareness of Tax Saving Schemes in Allahabad" Government has to play an important role in all round development of society and country as a whole. Tax constitutes the main source of finance whereby government raises revenues for public spending. In India income tax contributes to up to 52.28% to the total revenue of government. Because of compulsion element each tax payer faces the problem of how to find golden

ways to minimize their tax liabilities. But paying tax is always a Painful task as it directly impacts on the residual income of the taxpayer. So, all individual always try to reduce tax liability by managing their financial affairs.

Young Baek, Doseong Kim and Jong Oh (2019) “Journal of the Financial Planning Association of Australia” As Australia’s leading professional association for financial planners, the Financial Planning Association (FPA) represents the interests of the public and 11,000 members. Founded in 1992 by merger of the International Association for Financial Planning and the Australian Society of Investment and Financial Advisors Limited, the FPA is the only professional body for financial planners in Australia. FPA offers the CERTIFIED FINANCIAL PLANNER certification program, and develops professional, compliance and ethical standards for CFP professionals. In addition, the FPA represents members’ interests with legislators, regulators and consumer bodies.

Sonali Patil, Kalpana Nandawar (2014) “A Study on Preferred Investment Avenues among Salaried People with Reference to Pune, India” Investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings. Researcher has studied the different avenues of investments as well as the factors while selecting the investment with the sample size of 40 salaried employees by conducting the survey through questionnaire in Pune, India.

Sanket, L.Charkha (2018) “A Study of Saving and Investment pattern of Salaried Class People with Special Reference to Pune City (India)” Investment is an type of activity that is engaged in by the people who have to do savings i.e. investments are made from their savings, or in other words it is the people invest their savings. Researcher has here in this paper studied the different types and avenues of investments as well as the factors that are required while selecting the investment with the sample size of 60 salaried employees by conducting the survey through questionnaire in Pune city of, India. Actually, here the present study identifies about the preferred investment avenues among individual investors using their own self-assessment test.

Deepak Sood (2015) "A Study of Saving and Investment Pattern of Salaried Class People with Special Reference to Chandigarh (INDIA)" The objective of the study was to determine the relationship between the savings and investments pattern among the salaried class people of Chandigarh (India). The data was collected through structured questionnaire distributed to 200 peoples working in different sectors at Chandigarh.

Shanthi & Murugesan (2016) "Investment Preferences of Salaried Women Employees" The investors have a lot of investment avenues to park their savings. The risk and returns available from each of these investment avenues differ from one avenue to another. The investors expect more returns with relatively lesser risks. In this regard, the financial advisors and consultants offer various suggestions to the investors. Investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings.

Hemalatha & Pavithra.S (2018) "A Study on Savings and Investment Pattern of Salaried Women in Coimbatore District" Women should start thinking and understanding the importance of money, savings and its investment aspect to avoid critical situations at any stage of their lives. They need to develop skills to plan for their financial needs. Generally women tend to keep cash idle rather than investing it. They tend to think that this "idle cash" can be easily used to meet expenses beauty parlours, jewellery etc. The respondents of research study consists only those people who earning fixed Income as salary so the study included only salaried group of women employees.

Sanoop Sivaraman (2019) "A Study among Investment Avenues among Salaried Employees" An investment is the employment of funds to achieve income and growth in value. It is the allocation of monetary resources to assets that are expected to yield some gain or positive return over a given period. It aims at the increase the money at higher or lower rates depending upon whether it is long term or short term investment and whether it is a risky or risk-free investment. Investment activity involves the creation of assets or exchange of assets with the

profit motive. Most of the investments are to consider transfers of financial assets from one person to another. Various investments options are available with the differing risk-reward trade-off.

Sunita Totala (2016) "Investment Preferences of Salaried Persons of Indore" Salaried persons receive a definite amount out of which they are to spend for maintenance and provident for future with the help of investment. It is very difficult to decide about to investment because investment depends upon so many factors like gender, age, family background, profession, educations, health status, taxation, number of dependent members, number of other earning members, ancestral property, retirement age, type of employer, etc.

Amit Kumar Arora, Priya Rathi (2018) "A Study of Awareness and Perception Regarding Tax Saving Options among Salaried People" The study attempted to know the awareness and perception regarding various tax saving options available to save tax for salaried class employees. The study was conducted to know if there was any difference in income, savings, and investment patterns on the basis of gender as well as factors which are considered before investing in a particular investment option.

Ca Yogesh, Charul (2012) "A Study of Investment Perspective of Salaried People (Private Sector)" Investment is the employment of funds with the aim of getting return on it. It is the commitment of funds which have been saved from current consumption with the hope that some benefits will accrue in future. Thus, it is a reward for waiting for money. So the first step to investment is savings. In common usage, saving generally means putting money aside, for example, by putting money in the bank or investing in a pension plan. In a broader sense, saving is typically used to refer to economizing, cutting costs, or to rescuing someone or something.

Scholes, G.Peter Wilson, (1990) "Taxing Planning, Regulatory capital Planning and Financial Reporting Strategy for Commercial Banks" We test whether banks' investment and financing policies can be explained by tax status. We

document changes in bank holdings of municipal bonds in response to changes in tax rules relating to deductibility of interest expense. We also document an association between banks' marginal tax rates and their investment and financing decisions, which is consistent with the existence of tax clienteles. However, banks do not sort themselves perfectly into investment and financing clienteles because of adjustment costs.

G. Rajendran (2019) "The Need and Importance of Tax Planning for the Promotion of Entrepreneurship" Entrepreneurship is indispensable for the economic development of a country. The emergence and development of entrepreneurship is not spontaneous one. Its emergence and development exclusively depend on the Govt. support in the form of providing basic facilities, incentives and concessions. Accelerating the growth and development of entrepreneurship is definitely a challenging task but this is the only solution to solve the problems of poverty, insecurity, unemployment and over population.

Kumaraswamy & DivakarVelya M, (2020) "Tax Planning – An Analysis on Housing Loans" Housing loans, for sure, makes it possible to an individual to own a house. A gradual increase over the times in the associated costs of real estate makes a housing loan lasts for decades. As every Government's priority is to provide shelter to all its citizens; on the other hand, it is reducing housing loan borrowers tax burden through several Income Tax provisions. This paper focuses on these issues in every possible dimension.

Preeti Kalgutkar (2018) "Tax Awareness and Tax Planning on Wealth Creation of Individual Assessee" This research paper is related to personal financial aspects of individual assessee. Tax awareness is an important component of tax planning. In India, tax on personal income takes away foremost part of earned income. As every individual assessee who have earned yearly income which is more than a limit as prescribed by the income tax law is liable to pay tax. Self-assessment system requires tax payers to have full understanding of tax rules. In order to have an efficient tax planning, awareness of the yearly wise tax laws and rules are inevitable.

Bharathraj Shetty & M. Muthu Gopalakrishnan (2013) "An Analysis of Investors Attitude towards Various Tax Saving Schemes" The objective of the study is to study investor's preference towards various tax saving schemes (under various sections of Income Tax, Act 1961). The tax saving schemes in which investors have invested, to identify patterns of investment in tax saving schemes. Data required to identify the historical growth of investment in different tax saving schemes.

Dr. K. Krishnamurthy (2015) "Investment Pattern and Awareness of Salaried Class Investors in Tiruvannamalai District of Tamilnadu" The results also highlight that certain factors like education level, age of investors, number of family members etc make significant impact while deciding on the avenues for investment. The present study is based on primary sources of data which are collected by distribution of a close ended questionnaire. The data has been analyzed using chi-square test. The research shows that majority of the respondents are saving money as Bank deposits for the safety of predictable future.

Ledid Bin Abdul Khader (2017) "Tax Planning Among College Teachers, With Special Reference to MES Ponnani College" Tax planning is the art of arranging your affairs in ways that postpone or avoid taxes. By employing effective tax planning strategies, you can have more money to save and invest or more money to spend or both your choices. Put another way tax planning means deferring and flat out avoiding taxes by taking advantages of beneficial tax-law provisions, increasing and accelerating tax deductions and tax credits, and generally making maximum use of all applicable breaks available under our beloved internal revenue code. Tax planning and financial planning are closely linked because taxes are such a large expense item as you go through life. If you become really successful, taxes will probably be your single biggest expense over the long haul.

Pallavi and Anuradha (2017) "Tax Planning and Investment Pattern of Academicians: A Study of Educational Institutions in Bengaluru" Tax planning

involves an efficient application of various provisions and loopholes of tax laws to reduce the incidence of tax and tax burden of an assessee. This research paper aims at studying the investment pattern and the awareness of various tax planning schemes available for investment for academicians. Structured questionnaire was used to collect the data and 385 respondents were selected for the study by adopting stratified sampling technique from private educational institutions across the city of Bengaluru.

Shilpa Vasant Bhide (2013) “A Study of Awareness of Tax Planning amongst Salaried Assesseees” The word “Tax” is derived from the Latin word called Taxove and Taxo means to estimate, appreciate or value. The word Income Tax itself implies it is a tax on earnings. It plays vital role in the national economy. The ever increasing functions of the government have naturally lead to increasing expenditure for instance achieving the social and economic objectives laid down in the constitution, reducing the inequality of income, removing the concentration of economic power in few hands, balancing regional economic growth and so on. Keywords: Assessee, Tax Planning, Income.

Niyati Jain, Neha Yadav & Raman (2019) “Awareness Level of Tax Planning with Respect to Wealth Creation – A Study of Individual Assesseses” Tax awareness is an important component of tax planning. In India, tax on personal income takes away foremost part of earned income. As every individual assesses who have earned yearly income which is more than a limit as prescribed by the income tax law is liable to pay tax. Self-assessment system requires tax payers to have full understanding of tax rules. Tax planning does not mean skipping the payment of income tax, it is just efficient allocation of earned income in different tax savings investment to acquire maximum benefits by individual assesses.

R. Vasanthi (2015) “A Study on Tax Planning Pattern of Salaried Assessee” The word “Tax” is derived from the Latin word called Taxove and Taxo means to estimate, appreciate or value. The word Income Tax itself implies it is a tax on earnings. It plays vital role in the national economy. The ever increasing functions of the government have naturally lead to increasing expenditure for

instance achieving the social and economic objectives laid down in the constitution, reducing the inequality of income, removing the concentration of economic power in few hands, balancing regional economic growth and so on.

Rajiv Kaushik (2012) “Assessment of Individual Income Tax, Tax Planning and Saving in India” Individual income tax is a subject matter of central govt. If an individual want to assess his/her income tax then he/she should have knowledge of individual income tax structure. Individuals after calculating their total income for a particular financial year can assess their income tax after deduction of saving and doing other adjustments. By doing so they can plan in advance about their savings and income tax.

Rini Hastuti (2014) “Tax Awareness and Tax Education: A Perception of Potential Taxpayers” Self assessment system requires tax payers to have full understanding of tax rules. Students of high education are perceived as potential tax payers since in the future they will earn revenues that are subjected to taxes. Based on previous research, having full understanding of tax is proved to drive tax evasion; hence tax education becomes a key.

Saravanan, Muthu Lakshmi (2017) “Tax Saving Scheme and Tax Saving Instruments of Income Tax in India” To study the planning of individual income tax and tax saving instruments of individual income tax. By doing so they can plan in advance about their Tax savings instrument. Tax planning is an essential part of our financial planning. Efficient tax planning enables us to reduce our tax liability to the minimum. This is done by legitimately taking advantage of all tax exemptions, tax saving scheme, deductions under chapter VIA, rebates and allowances while ensuring that your investments are in line with their long-term goals.

Mohd Rizal Palil (2013) “The Perception of Tax Payers on Tax Knowledge and Tax Education with Level of Tax Compliance: A Study the Influences of Religiosity” The intention of this paper is to study the role of religiosity in the relationship between tax education and tax knowledge towards tax compliance.

Dedi Kurniawan (2020) "The Influence of Tax Education During Higher Education on Tax Knowledge and Its Effect on personal Tax Compliance" This study has 3 (three) objectives. First, to analyze whether tax education in higher education influences individual tax compliance through increased tax knowledge. Second, to explore the implementation of tax education in universities.

Masoud Pourkiani, Leila Asgharpour (2015) "Studying Factors Influencing the Attitude of the Tax Payers to Pay the Tax in Kerman" Taxes are the most important sources of income in many countries. If the tax culture is implemented effectively in society many problems of the state' in serving the people can be overcome. Peoples' attitude towards the tax and their mentality to the notion can play an important role in their willingness or lack of willingness to pay taxes, therefore, this paper examines the factors that influence the attitude of the tax payers.

Vasanthi, R. (2015) "A study on the Salaried Assessee's Satisfaction on Tax Planning Schemes with Reference to the Coimbatore City" The researcher studied about the awareness of income tax provisions of salaried assesses with special reference towards Coimbatore city. Here the researcher has collected data through primary method. The researcher used Quota sampling technique to collect the data.

Shakhawat Hossain Sarkar, Sabuj Chandra Bhowmik (2019) "Individual Income Tax Planning Practices in Bangladesh: An Empirical Study" The study strives to explore individual income tax planning practices in Bangladesh using field level data from 194 assessee's. The dichotomous procedure was used to score the items. Analytical results indicate that income tax planning scenario in Bangladesh was in a nascent state as compared to India. A positive relationship was observed between tax awareness and individual tax planning that suggests more tax rules conscious individual assessee could enjoy maximum tax rebate in Bangladesh.

Salomé Baslandze, and Stefanie Stantcheva (2016) "Taxation and the International Mobility of Inventors" We study the effect of top tax rates on "superstar" inventors' international mobility since 1977, using panel data on inventors from the US and European Patent Offices. We exploit the differential impact of changes in top tax rates on inventors of different qualities. Superstar inventors' location choices are significantly affected by top tax rates.

Julie Cullen and Roger Gordon (2007) "Taxes and entrepreneurial risk-taking: Theory and evidence for the U.S" We first show theoretically that taxes can affect incentives due to differences in tax rates on business vs. wage income, due to differences in the marginal tax rates faced on losses vs. profits through a progressive rate structure and through the option to incorporate, and due to risk sharing with the government.

Jon Gruber, Emmanuel Saez (2002) "The elasticity of taxable income: evidence and implications" A central tax policy parameter that has recently received much attention, but about which there is substantial uncertainty, is the overall elasticity of taxable income. We provide new estimates of this elasticity which address identification problems with previous work, by exploiting a long panel of tax returns to study a series of tax reforms throughout the 1980s. This identification strategy also allows us to provide new evidence on both the income effects of tax changes on taxable income, and on variation in the elasticity of taxable income by income group.

3. RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The Study is about to find various strategies are available for tax savings and to achieve long and short term financial goals through financial planning. It intend to study the pattern in which employees allocates their savings in tax strategies.

The area of study for this research is confine to Chennai alone. The period of this study was January 2021 to April 2021. The design of the study is descriptive in nature as it accurately describes a situation with its associated variables.

3.2 SAMPLING TECHNIQUE

3.2.1 SAMPLE PLAN

Sample location; CHENNAI, Questionnaire and observational, through surveys and also from secondary data.

3.2.2 SAMPLING FRAME

In the above case, sampling frame will be all the employees having professional qualification in selected company.

3.2.3 SAMPLING UNIT

Sampling unit was geographical unit where the research was carried in Chennai. Source of list for respondents was not predetermined it was on random basis. The various parameters on which the research was to be conducted are:

- Awareness of financial planning
- Alignment of financial goals
- Strategies for tax savings

3.3 DATA COLLECTION METHODS / SOURCE OF DATA

The Google form survey is used for this analysis. The data going to collect using primary & secondary sources.

3.3.1 PRIMARY DATA

The primary data is going to be collect questionnaire and observation. There are also formal and informal discussions with the employees

3.3.1.2 Questionnaire

The method was adopted in primary data collection was Questionnaire. This was used to assist a more structured form of information. The information thus obtained was standard and in a more unbiased form. It assisted to collect the data from a large sample size. The pattern adopted was a general form of questionnaire and also need to ask some kind of questions about the financial planning and strategies for tax savings by employees.

3.3.2 SECONDARY DATA

Secondary data means data that are already available i.e., the data which is already collected and analyzed by other. To get a better understanding and to have a larger exposure on the subject this method will use. Methods use was data available on World Wide, Web, articles in newspaper, financial industry reports, financial planning board of India reports and articles, reports published by government of India.

3.4 STRUCTURE OF QUESTIONNAIRE

A questionnaire is done by Google form containing questions relating to certain specific aspect, regarding which the researcher collects the data in questionnaire.

There are two broad types of questions open ended or open questions, and closed ended or closed questions. Open questions enable respondents to answer as they wish. Closed questions provide respondents with a list of options from which they choose.

3.5 SAMPLE SIZE

Size of the samples means the number of sampling units selected from the population. The sample size is 221 employees.

3.6 PERIOD OF STUDY

The period of study is from January 2020 to April 2021 which is a four months of study.

3.7 TOOLS USED FOR ANALYSIS:

After the collection of the data through the questionnaire, editing was done carefully. Based on the response of the samples, tables were prepared. The data was analyzed and interpreted with the help of tables and figures. The tools used to analyze the data were Frequency analysis, Simple percentage analysis. SPSS Tools were used T-Test, Chi square and correlation are done in the statistical method.

T-TEST

The Independent Samples *t* Test compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. The Independent Samples *t* Test is a parametric test.

CORRELATIONS COEFFICIENT

Correlation coefficients are used to measure how strong a relationship is between two variables. There are several types of correlation coefficient, but the most popular is Pearson's. Pearson's correlation (also called Pearson's *R*) is a correlation coefficient commonly used in linear regression. If you're starting out in statistics, you'll probably learn about Pearson's *R* first. In fact, when anyone refers to the correlation coefficient, they are usually talking about Pearson's.

ONEWAY ANOVA

The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of two or more independent (unrelated) groups (although you tend to only see it used when there are a minimum of three, rather than two groups).

4. DATA ANALYSIS & INTERPRETATION

4.1 PERCENTAGE ANALYSIS

4.1 Gender

Table 4.1: Frequency Analysis for Gender of the respondents

S.NO	GENDER	FREQUENCY	PERCENTAGE
1	Male	119	54.3
2	Female	100	45.7
	TOTAL	219	100

Source: Primary data

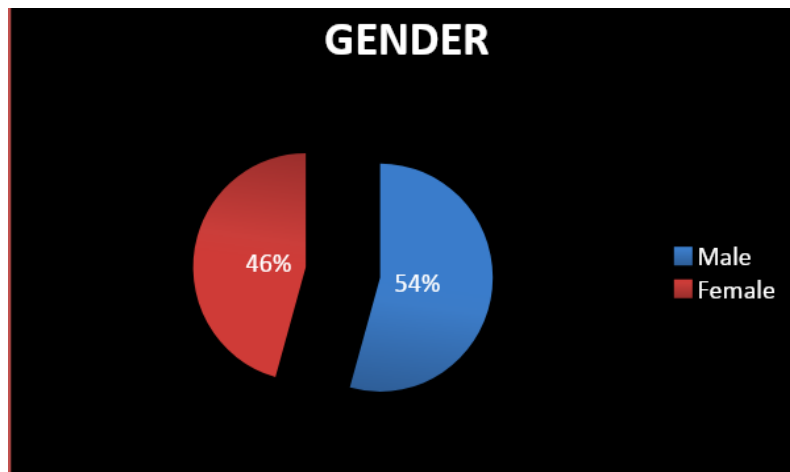


Chart 4.1: Gender of the respondents

INFERENCE

Table indicates that 54.3% respondents are male & 45.7% respondents are female. Therefore majority is male 119 people are responded the questionnaire respectively.

4.2. Age

Table 4.2: Frequency Analysis for Age of the respondents

S.NO	AGE	FREQUENCY	PERCENTAGE
1	19 – 35	42	19
2	36 – 45	94	43
3	46-55	58	26
4	Over 55	27	12
	TOTAL	221	100

Source: Primary data

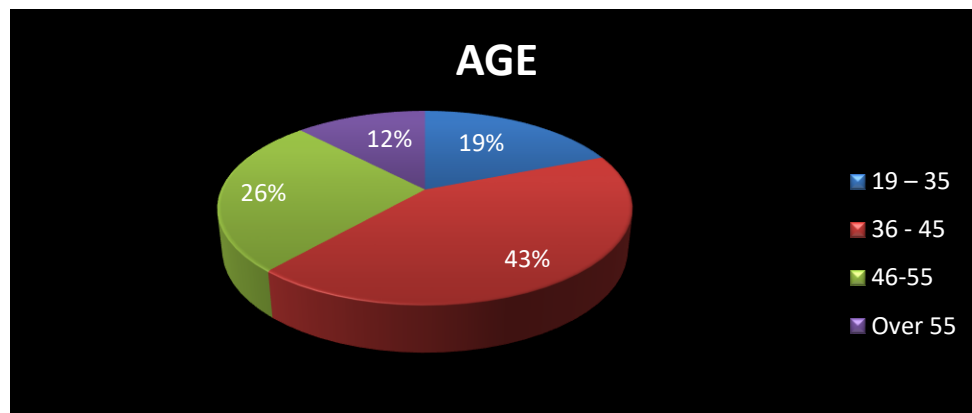


Chart 4.2: Age of the respondents

INFERENCE

Table indicate that 51.1% of respondents are majority 19-35 age group, 26.2% of respondents are 36-45 age group, 14.9% of the respondents are 46 – 55 age group and 4.1% of respondents are below 18 age group and over 55 age group people are 3.6% of respondents. Therefore the majority of respondents are 19-35 age group people are responded the questionnaire and least is above 55 age group people.

4.3. Employee Designation

Table 4.3: Frequency Analysis for Employee Designation of the respondents

S.NO	DESIGNATION	FREQUENCY	PERCENTAGE
1	Accountant	15	6.78
2	Project Planning	9	4.07
3	Supervisor	16	7.2
4	Power Plant Operator	4	1.8
5	Software Developer	23	10.4
6	Engineer	58	26.2
7	Railway	21	9.5
8	Staff Nurse	11	4.97
9	Digital Process Operator	8	3.6
10	Production Technician	13	5.88
11	Manufacturing Production	5	2.26
12	Sales	18	8.1
13	Others	20	9.04
	TOTAL	221	100

Source: Primary data

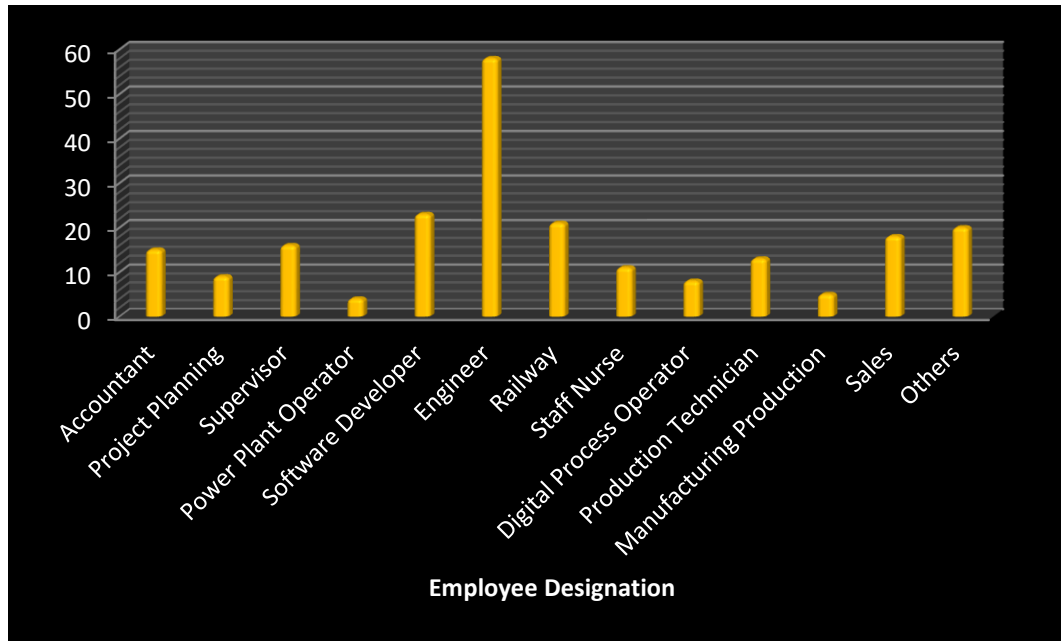


Chart 4.3: Employee Designation of the respondents

INFERENCE

Table indicates that the employees details of respondents, 221 respondents are filled the employee details, 26.2% respondents are Engineer and 9.5% are railway employees. Therefore the major is 58 respondents are engineering respectively.

4.4 Income Details

Table 4.4: Frequency Analysis for Income of the respondents

S.NO	INCOME	FREQUENCY	PERCENTAGE
1	Below Rs. 5 Lakh	53	24
2	Between Rs 5 Lakh to Rs. 7.5 Lakh	98	44.3
3	Between Rs. 7.5 Lakh to Rs. 10 Lakh	37	16.7

4	Between Rs. 10 Lakh to Rs. 15 Lakh	22	10
5	Between Rs. 15 Lakh to Rs. 20 Lakh	6	2.7
	Above Rs. 20 Lakh.	5	2.3
	TOTAL	221	100

Source; Primary data

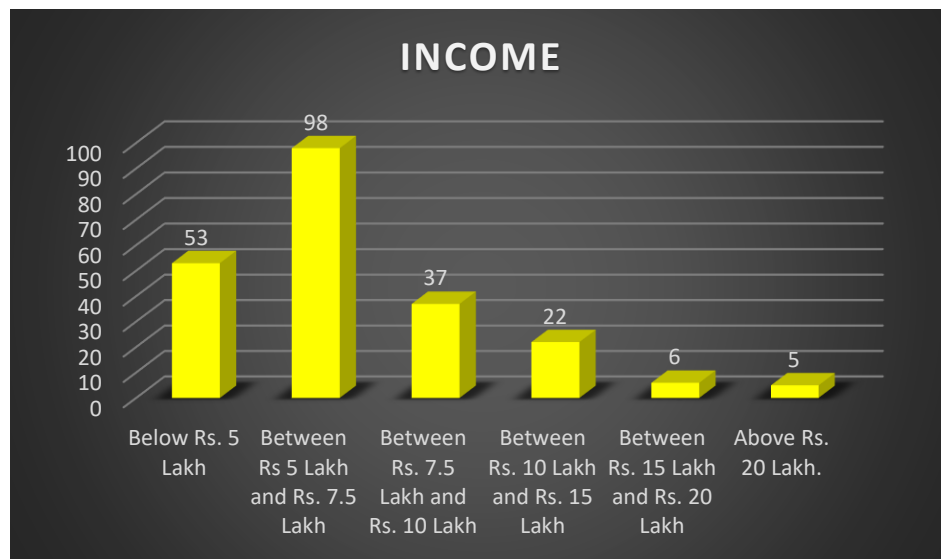


Chart 4.4: Income of the respondents

INFERENCE

Table indicates that 24%, 44.3%, 16.7%, 10%, 2.7%, 2.3% of the respondents earn income Below Rs 5 Lakh, Between Rs 5 Lakh to Rs 7 Lakh, Between Rs. 7.5 Lakh to Rs. 10 Lakh, Between Rs. 10 Lakh to Rs. 15 Lakh, Between Rs. 15 Lakh to Rs. 20 Lakh Above Rs. 20 Lakh. Therefore 98 of the respondents income is Between Rs 5 Lakh to Rs. 7.5 Lakh are majority of earning income and 5 respondents are low earning above Rs. 20 Lakh respectively.

4.5 Monthly Salary Savings of the respondents

Table 4.5: Frequency Analysis for Monthly Savings of the respondents

S.NO	SAVING	FREQUENCY	PERCENTAGE
1	Less than 20%	115	52
2	Between 20% to 35 %	73	33
3	Between 35% to 50%	20	9
4	Over 50%	13	5.9
	TOTAL	221	100

Source: Primary data

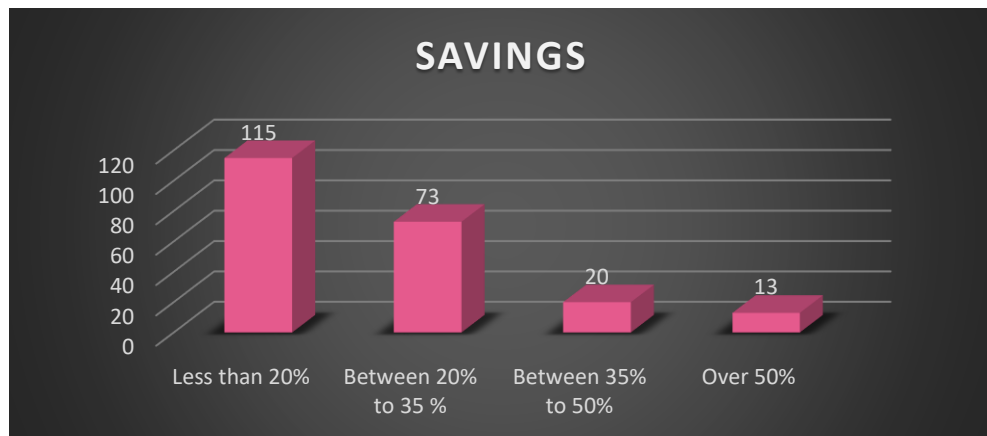


Chart 4.5: Monthly Savings of the respondents

INFERENCE

Table indicates monthly salary saving 52% of respondents are Less than 20%, 33% of respondents are Between 20% to 50%, 9% of respondents are Between 35% to 50%, 5.9% of respondents are over 50%. Therefore 115 respondents are majoritily saving Less than 20%, 13 respondents are low saving over 50% respectively.

4.6. Percentage of Monthly salary is used to repay loans

Table 4.6: Frequency Analysis for Repay Loans of the respondents

S.NO	REPAY LOANS	FREQUENCY	PERCENTAGE
1	Nil	25	11.3
2	Less than 20%	87	39.4
3	Between 20% to 35 %	85	38.5
4	Between 35% to 50%	17	7.7
5	Over 50%	7	3.2
	TOTAL	221	100

Source: Primary data

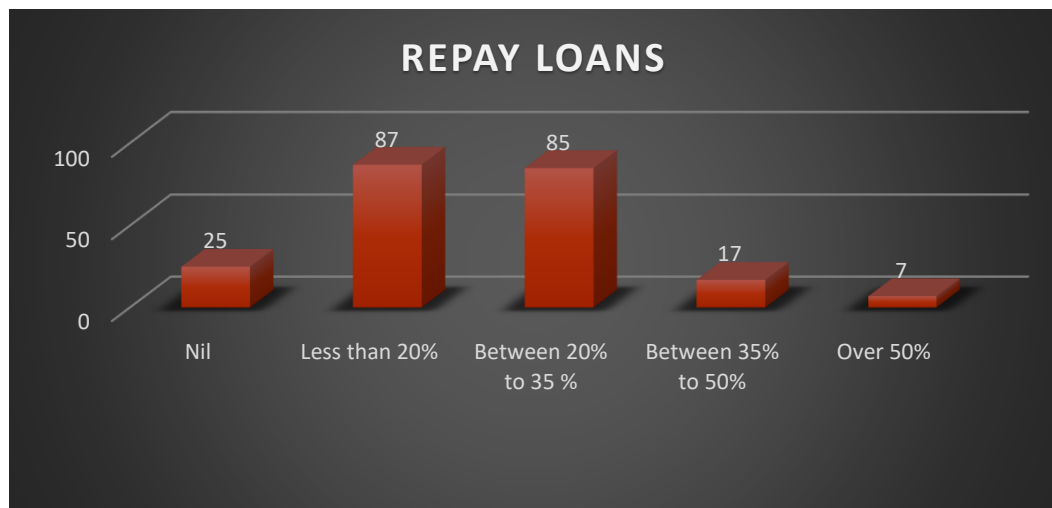


Chart 4.6: Frequency Analysis for Repay Loans of the respondents

INFERENCE

Table indicates Repay loans in monthly salary 11.3% of respondents are Nil not taken loan, 39.4% of respondents are Less than 20%, 38.5% of respondents are Between 20% to 35%, 7.7% of respondents are Between 35% to 50%, 3.2% respondents are Over 50%. Therefore 87 respondents are majority of repay loans less than 20% and over 7 respondents are low respectively.

4.7. Investment in following different Avenues for Financial Planning

Table 4.7: Frequency Analysis for Investment on Financial Planning of the respondents

S.NO	INVESTMENT OF FINANCIAL PLANNING	FREQUENCY	PERCENTAGE
1	Life Insurance	121	54.8
2	Fixed Deposits	102	46.2
3	Mutual Fund	78	35.3
4	Equity market	17	7.7
5	Gold	44	19.9
6	PPF	14	16.3
7	Post office deposit	17	7.7
	TOTAL	221	100

Source: Primary data

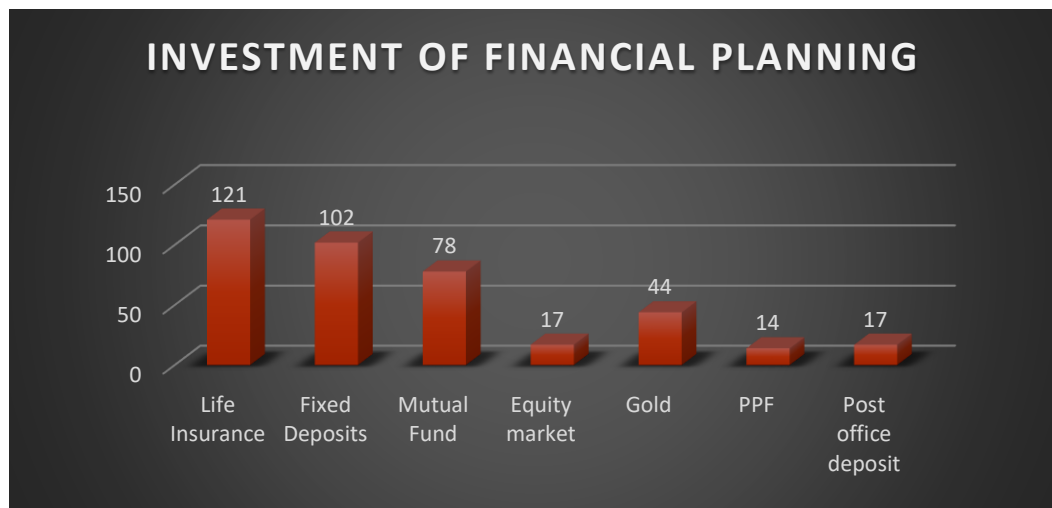


Chart 4.7: Investment on Financial Planning respondents

INFERENCE

Table indicates the investment in different avenues for financial planning, 54.8% respondents are investing in Life insurance, 46.2% respondents are

investing in Fixed deposits, 35.3% of respondents are investing in Mutual funds, 19.9% of respondents are investing in Gold, 16.3% of respondents are investing in PPF and 7.7% of respondents are using Equity market and Post office deposit. Therefore 121 respondents majority investing in Life insurance and 117 respondents are least investing in Equity market & Post office deposit respectively.

4.8. Objective factors of investment in Financial Planning

Table 4.8: Frequency Analysis for Objectives of Investment in Financial Planning of the respondents

OBJECTIVE FACTORS OF INVESTMENT	STRONGLY AGREE	AGREE	AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE	TOTAL
Higher return	14	64	59	32	52	221
Safety	7	56	81	48	29	221
Liquidity	13	37	82	62	27	221
Tax benefit	12	29	46	55	79	221
Inflation	17	35	83	68	18	221
Appreciation	45	79	56	22	19	221
Risk covered	17	59	74	41	30	221
Age needs	23	17	41	57	83	221
Expert's advice	30	35	22	75	59	221
Past experience	25	43	56	65	32	221
FREQUENCY	203	454	600	525	428	2210
PERCENTAGE	9.1	20.5	27.1	23.7	19.3	100

Source: Primary data

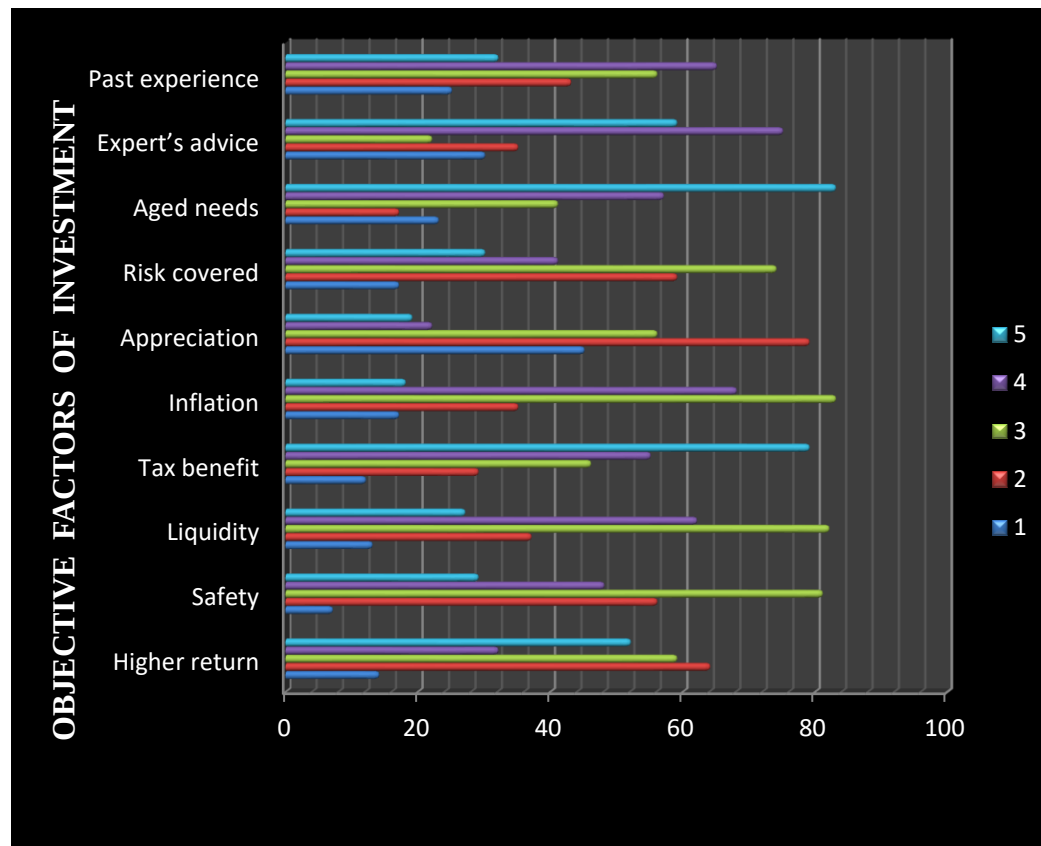


Chart 4.8: Objectives of Investment in Financial Planning respondents

INFERENCE

Table indicates objective factor of investment, 64 respondents are main factor to investing is Higher return, 81 respondents are marked as Safety, 82 respondents are marked as Liquidity 79 respondents are marked as Tax benefit, 83 respondents are marked as Inflation, 79 respondents are marked as Appreciation, 74 respondents are marked as Risk covered, 83 respondents are aged needs, 75 respondents are marked as Experts advice. Therefore 83 respondents are majority marked as Age needs and Inflation. 65 respondents are least in past experience respectively.

4.9 Company or Government offered financial planning workshops

Table 4.1.9: Frequency Analysis for Financial Planning of the workshops respondents

S.NO	FINANCIAL PLANNING WORKSHOPS	FREQUENCY	PERCENTAGE
1	Yes	129	58.4
2	No	92	41.6
	TOTAL	212	100

Source: Primary data

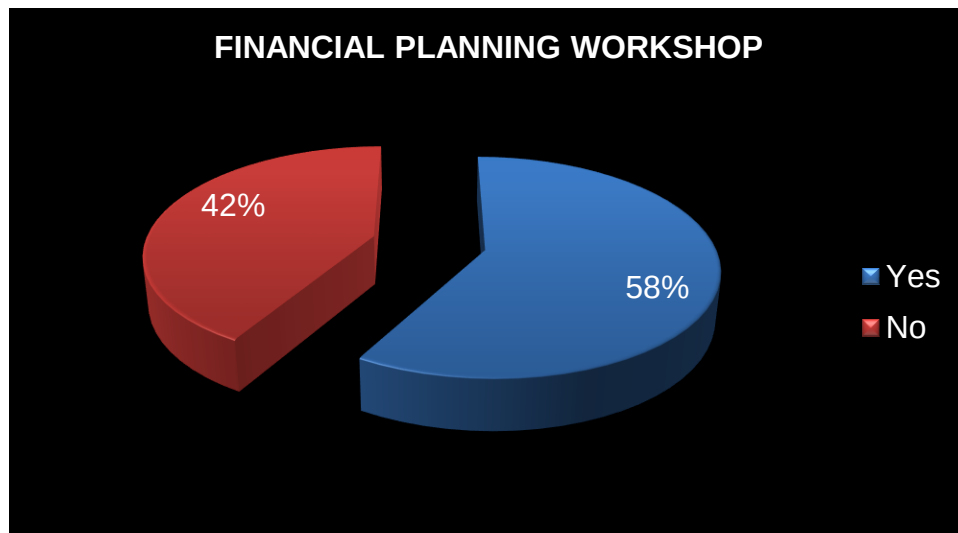


Chart 4.9: Financial Planning workshop of the respondents

INFERENCE

Table indicates 58.4% of respondents are interested in financial planning workshops, 41.6% of respondents are not interested in financial planning workshops. Therefore 129 respondents are majority of interest if company or government offer financial planning workshops respectively.

4.10. Employee Suggestion on Financial Planning

Table 4.10: Frequency Analysis for Employee Suggestion on Financial Planning of the respondents

S.NO	EMPLOYEE SUGGESTIONS	RATINGS					TOTAL
		1	2	3	4	5	
1	Encourage employees to start early	21	15	61	77	47	221
2	Offer more frequent financial planning workshops	6	33	16	102	64	221
3	Use objective teachers in workshops; not sales people	5	76	68	39	33	221
4	Workshop offered at various times	22	62	78	41	18	221
5	Other	33	50	68	43	27	221
	FREQUENCY	87	236	291	302	189	1105
	PERCENTAGE	7.9	21.4	26.3	27.3	17.1	100

Source: Primary data

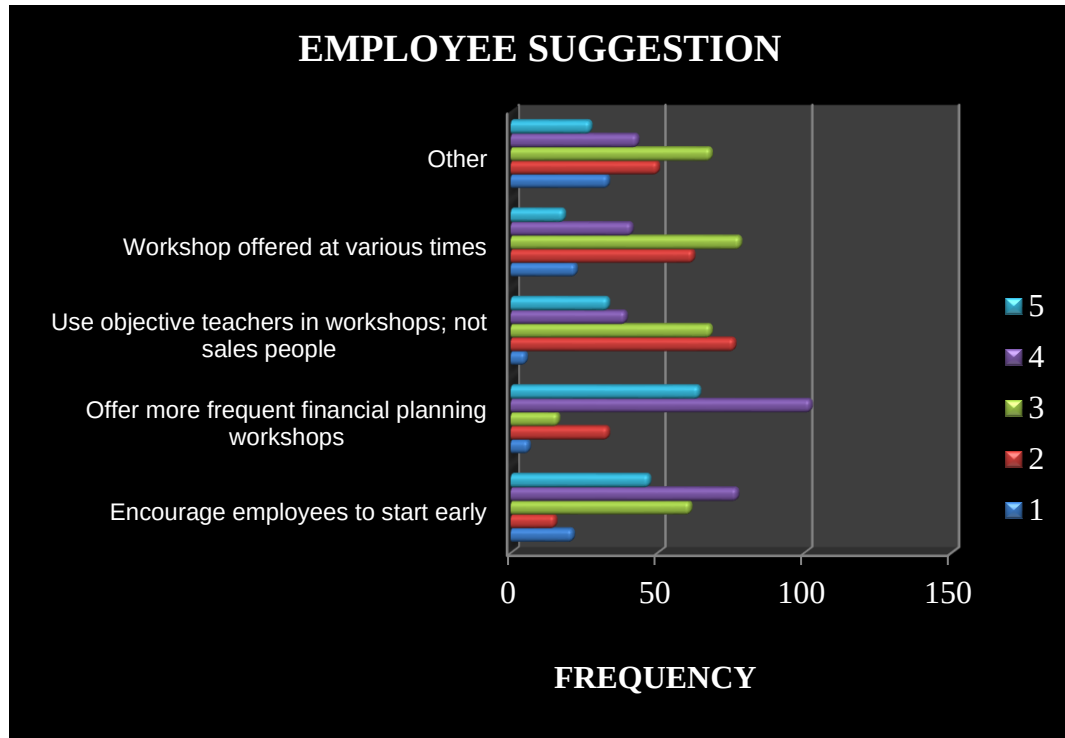


Chart 4.10: Employee Suggestion on Financial Planning of the respondents

INFERENCE

Table indicates 77 respondents suggestion to encourage employees to start early, 102 respondents to offer more frequent financial planning workshops, 76 respondents to use objective teacher in workshop; not sales people, 78 respondents to workshop offered various times, 68 respondents are marked as others. Therefore 102 respondents are majority as marked as offer more frequent financial planning workshops for financial planning, 76 respondents are least marked as use objective teachers in workshops; not sales people respectively.

4.11. Income Tax category: it is found that salaried people are paying more income Tax than businessmen

Table 4.11: Frequency Analysis for Income Tax category of the respondents

S.NO	CATEGORIES	FREQUENCY	PERCENTAGE
1	Strongly agree	40	18.1
2	Agree	114	51.6
3	Neither Agree or Disagree	41	18.6
4	Disagree	19	8.6
5	Strongly Disagree	7	3.2
	TOTAL	221	100

Source: Primary data

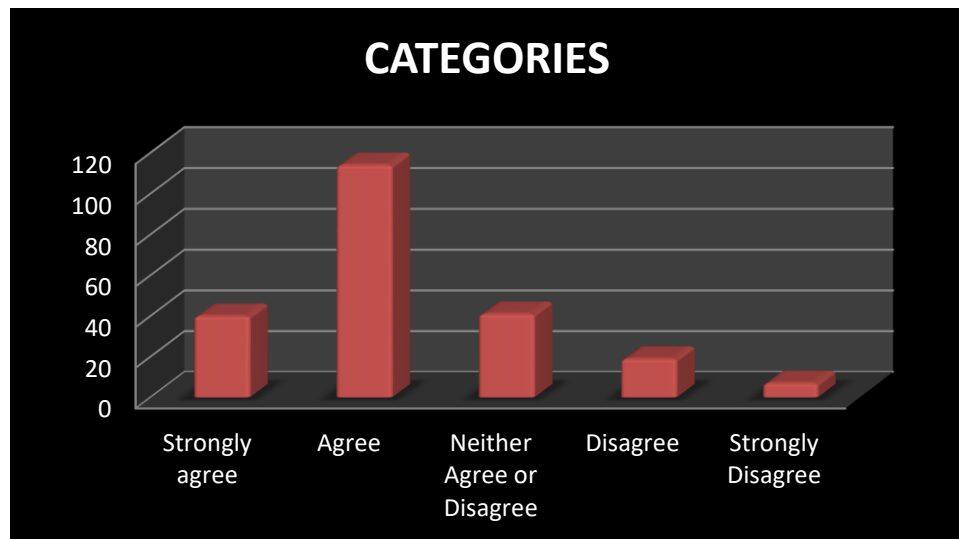


Chart 4.11: Income Tax category of the respondents

INFERENCE

Table indicates salaried people are paying more income tax than businessmen, 18.1% respondents are strongly agreed, 51.6% respondents are

agree, 18.6% respondents are neither agree or disagree, 8.6% respondents are disagree, 3.2% respondents are strongly agree. Therefore majority is 114 respondents are agreed that salaried employee are paying more tax than businessman.

4.12. Tax planning at the beginning of every ever

Table 4.1.12: Frequency Analysis for Tax planning of the respondents

S.NO	TAX PLANNING	FREQUENCY	PERCENTAGE
1	Yes	91	41.2
2	No	130	58.8
	TOTAL	221	100

Source: Primary data

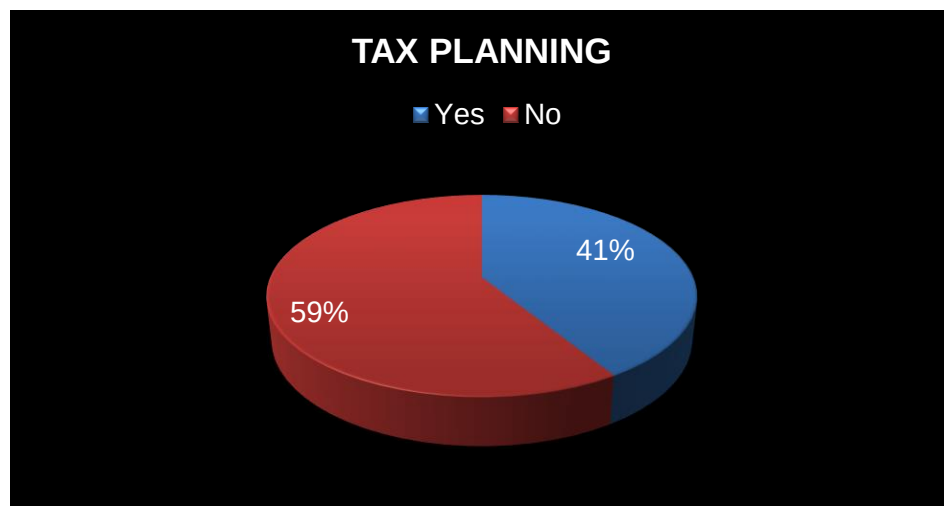


Chart 4.12: Tax planning of the respondents

INFERENCE

Table indicates tax planning at the beginning of every year, 41.2% respondents marked as yes they are tax planners at the beginning year, 58.8% respondents marked as No they are not tax planners at the beginning of every year. Therefore majority of 130 respondents are not planning the tax beginning of every year.

4.13. Taxpayers jointly or separately

Table 4.1.13: Frequency Analysis for Taxpayers of the respondents

S.NO	TAX PAY	FREQUENCY	PERCENTAGE
1	Jointly	95	43.6
2	Separately	123	56.4
	TOTAL	218	100

Source: Primary data

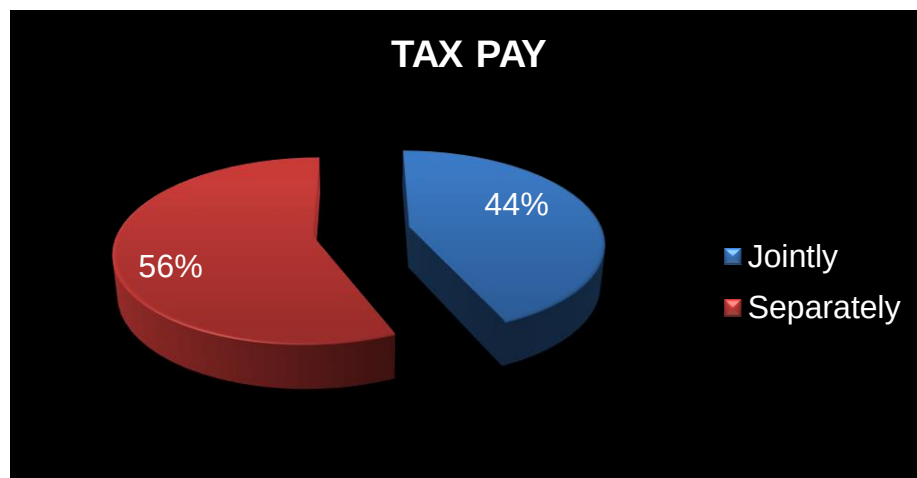


Chart 4.13: Taxpayers of the respondents

INFERENCE

Table indicates taxes filed in which case, 43.6% of respondents are jointly pays the tax, 56.4% of respondents are separately pays the tax. Therefore majority of 123 respondents are pays tax by separately respectively.

4.14. Expect Taxable income in 2026 to be higher or lower than it is today

Table 4.14: Frequency Analysis for Expected Taxable Income of the respondents

S.NO	EXPECT TAXABLE INCOME	FREQUENCY	PERCENTAGE
1	Higher	132	59.7
2	Lower	89	40.3
	TOTAL	221	100

Source: Primary data

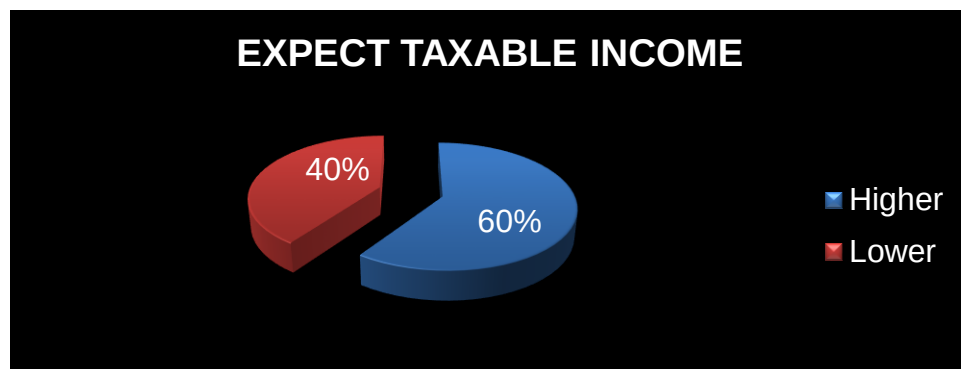


Chart 4.14: Expected Taxable Income of the respondents

INFERENCE

Table & Figure indicates expectations of taxable income in 2026. 59.7% of respondents are marked as Higher, 40.3% of respondents are marked as Lower. Therefore majority is 132 of respondents are expecting tax income will be higher in 2026 respectively.

4.15. Emergency fund (i.e., savings of at least six months' after-tax income)

Table 4.15: Frequency Analysis for Emergency Fund of the respondents

S.NO	EMERGENCY FUND	FREQUENCY	PERCENTAGE
1	No, I do not have an emergency fund.	96	43.6
2	I have an emergency fund, but it's less than six months' after-tax income.	81	36.8
3	Yes, I have an adequate emergency fund.	43	19.5
	TOTAL	220	100

Source: Primary data

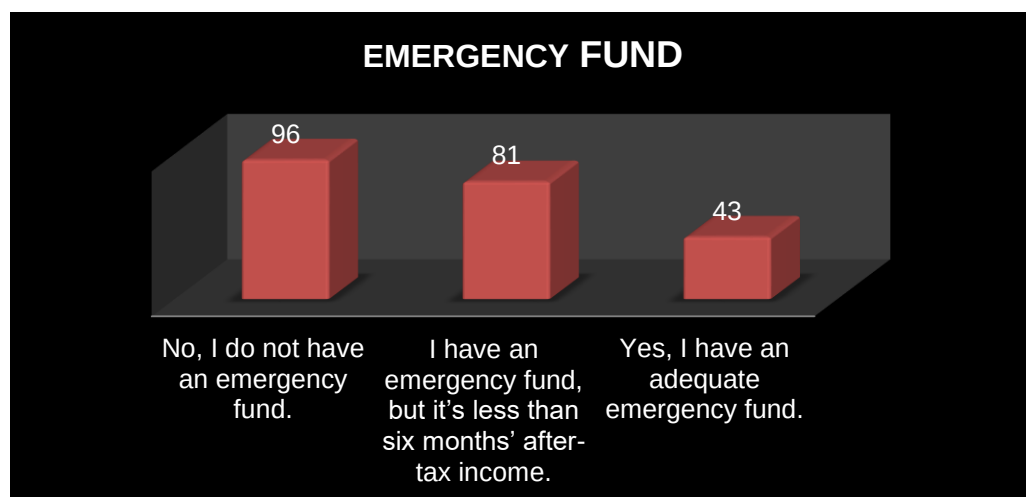


Chart 4.15: Emergency Fund of the respondents

INFERENCE

Table indicates emergency fund, 43.6% of respondents do not have an emergency fund, 36.8% of respondents have an emergency fund. Therefore 96 respondents majority do not have an emergency fund respectively.

4.16. Heads of income, your income becomes taxable?

Table 4.16: Frequency Analysis for Income Taxable of the respondents

S.NO	INCOME TAXABLE	FREQUENCY	PERCENTAGE
1	Income from salary	78	35.3
2	Income from house property	56	25.3
3	Profits and gains of business, profession	32	14.5
4	Capital gain	17	7.7
5	Income from other sources	38	17.2
	TOTAL	221	100

Source: Primary data

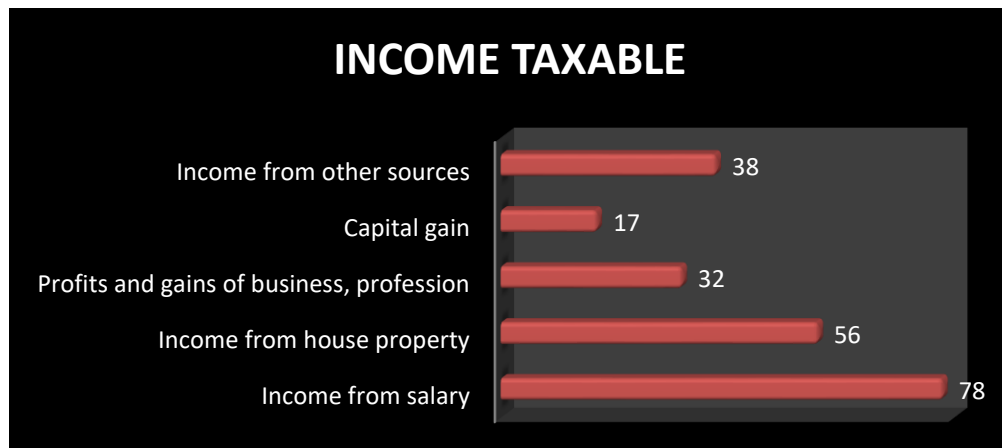


Chart 4.16: Income Taxable of the respondents

INFERENCE

Figure indicates in which heads of income become taxable, 35.3% of respondents are marked as Income from salary, 25.3% of respondents are marked as income from house property, Therefore 78 respondents are majority marked as income from salary, 17 respondents are least marked as capital gains respectively.

4.17. Approach Tax Planning during the year

Table 4.17: Frequency Analysis for Approaches on Tax planning of the respondents

S.NO	INCOME TAXABLE	FREQUENCY	PERCENTAGE
1	Estimate all incomes during the year, plan investments availing maximum tax benefits	89	40.3
2	Plan tax savings towards the end of the financial year	73	33
3	Do not actively plan and meet most of my tax liability from the last few months' salary	29	13.1
4	Take the help of an expert like Chartered Accountant (CA)	30	13.6
	TOTAL	221	100

Source: Primary data

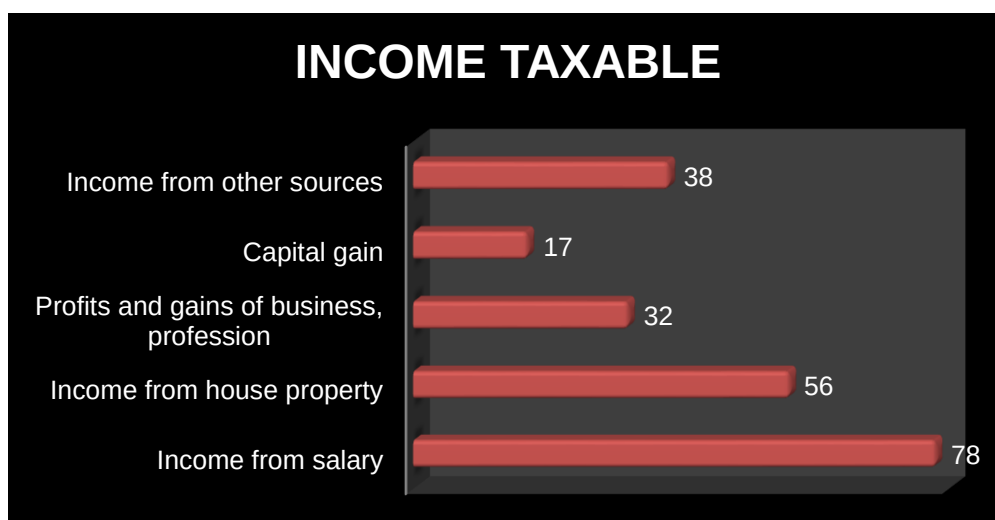


Chart 4.17: Approaches on Tax planning of the respondents

INFERENCE

Figure indicates in which heads of income become taxable, 35.3% of respondents are marked as Income from salary, 25.3% of respondents are marked as income from house property, 14.5% of respondents profits and gains, 7.7 % of respondents are marked as capital gains, 17.2% of respondents are marked as income from other sources. Therefore 78 respondents are majority marked as income from salary, 17 respondents are least marked as capital gains respectively.

4.18 Satisfaction of current tax planning strategies

Table 4.18: Frequency Analysis for Tax planning Strategies of the respondents

S.NO	SATISFACTION OF TAX PLANNING STRATEGIES	FREQUENCY	PERCENTAGE
1	Not satisfied	48	21.7
2	Slightly satisfied	103	46.6

3	Moderately satisfied	53	24
4	Highly satisfied	17	7.7
	TOTAL	221	100

Source: Primary data



Chart 4.18: Tax planning Strategies of the respondents

INFERENCE

Table indicates satisfaction of current tax planning strategies, 46.6% of respondents are majority slightly satisfied by their strategies, 7.7% of respondents are least satisfied by their current strategies respectively.

4.19. Utilize Income Tax benefits, example. Deduction from salary

Table 4.19: Frequency Analysis for Utilize Income Tax of the respondents

S.NO	UTILIZE INCOME TAX	FREQUENCY	PERCENTAGE

1	Yes	136	61.5
2	No	85	38.5
	TOTAL	221	100

Source: Primary data

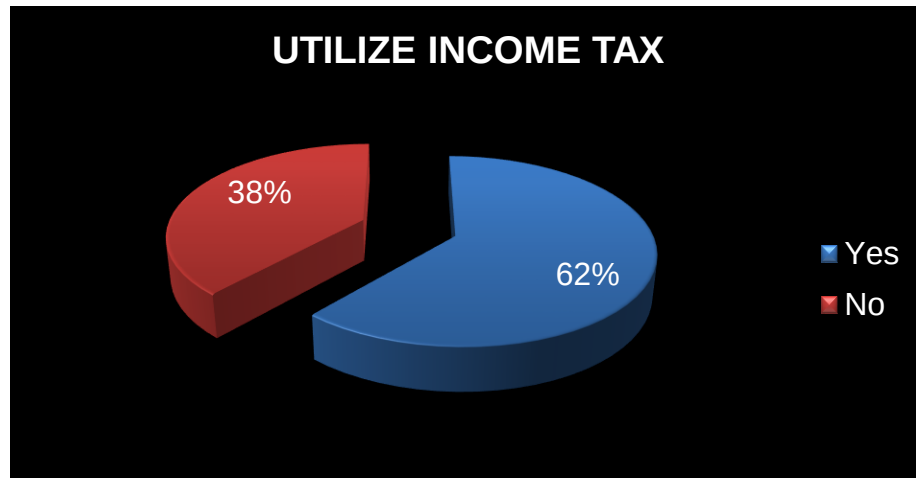


Chart 4.1.19: Utilize Income Tax of the respondents

INFERENCE

Table indicates utilize income tax, 61.5% of respondents are utilizing income tax benefits. 38.5% of respondents are not utilizing income tax benefit respectively. Therefore 136 respondents are majority utilizing the income tax benefits.

4.20. Frequency Analysis for Awareness of Tax of the respondents

Table 4.20: Frequency Analysis for Awareness of Tax of the respondents

S.NO	AWARENESS OF TAX	RATINGS					TOTAL
		1	2	3	4	5	

1	Interest on my Savings Bank A/c. and Fixed Deposit A/c. are added to my total income and taxed accordingly	16	17	60	77	51	221
2	Dividends on my equity shares are tax free in my hand	5	49	94	58	15	221
3	Income in the form of dividends received from Mutual Fund units is tax free in my hand	12	75	29	71	34	221
4	Short term Capital Gains on income funds, bonds, Gold ETFs (less than a year from investment) are added to my total income and taxed accordingly	10	69	76	29	37	221
5	Short term Capital Gains on equity and equity mutual fund schemes are payable at a lower rate of 15%	29	34	32	74	52	221
	FREQUENCY	72	244	291	309	189	1105
	PERCENTAGE	6.5	22	26.3	28	17.2	100

Source: Primary data

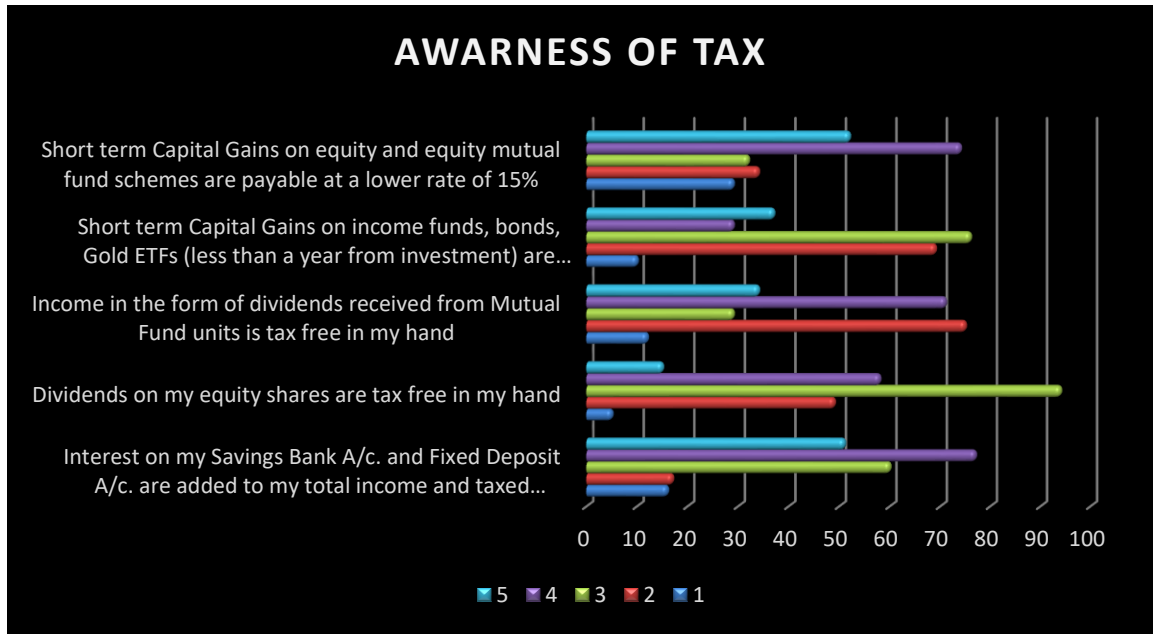


Chart 4.20: Awareness of Tax of the respondents

INFERENCE

Table indicates Awareness of Tax, 94 of respondents are majority aware of Dividends on my equity shares are tax free in my hand, 74 of respondents are least aware of Short term Capital Gains on equity and equity mutual fund schemes are payable at a lower rate of 15% respectively.

4.21. Deductions exempted under Chapter VIA (i.e Sections 80C, 80CCC, 80CCD, 80D, 80E, 80G)

Table 4.21: Frequency Analysis for Deductions exempted of the respondents

S.NO	AWARENESS OF DEDUCTIONS EXEMPTED	FREQUENCY	PERCENTAGE
1	Yes	129	58.4

2	No	92	41.6
	TOTAL	221	100

Source: Primary data

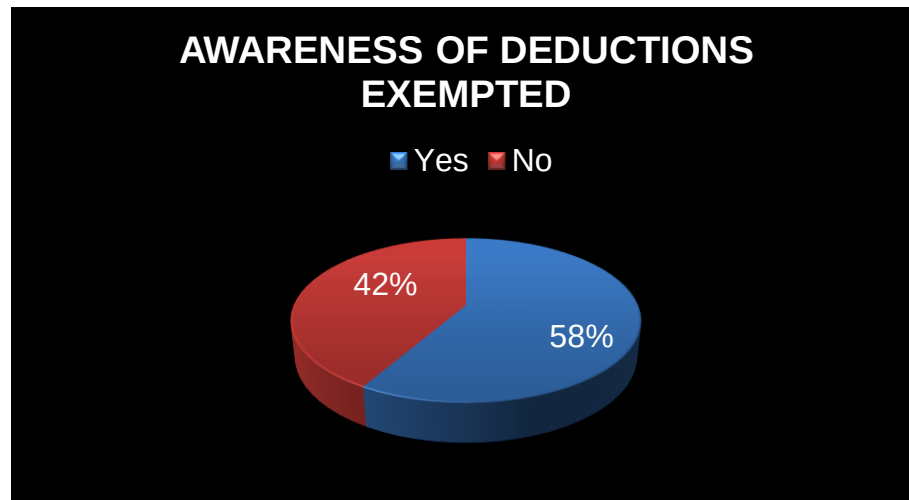


Chart 4.21: Deductions exempted of the respondents

INFERENCE

Table indicates the awareness of deduction exempted, 58.4% of respondents are awareness of deduction exempted, 41.6% of respondents are not aware of deduction exempted respectively.

4.21.1 If yes the exemptions are

Table 4.21.1: Frequency Analysis for Exemptions of the respondents

S.NO	EXEMPTIONS	FREQUENCY	PERCENTAGE
1	Insurance Premium	32	24.8
2	Payment to Pension	12	9.3

	Scheme		
3	Medical Insurance Premium	38	29.4
4	Educational Loan Repayment	24	18.6
5	Donations	6	4.7
6	Investment in Mutual Funds ELSS	17	13.2
	TOTAL	129	100

Source: Primary data

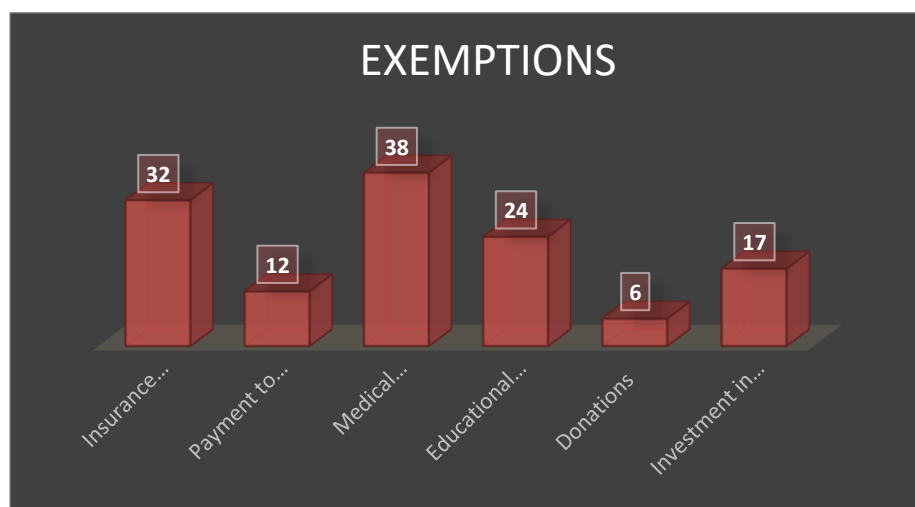


Chart 4.21.1: Exemptions of the respondents

INFERENCE

Table indicates the tax exemptions, 29.4% of respondents applying for Medical insurance premium, 4.7% of respondents are least apply of Donations respectively.

4.22 Prefer Tax Savings Instruments:

Table 4.22: Frequency Analysis for Tax Savings Instruments of the respondents

S.NO	INSTRUMENTS	STRONG	HIGH	NEUTRAL	LOW	VERY LOW	TOTAL
1	PPF/EPF	52	78	70	10	11	221
2	LIC	27	72	97	21	4	221
3	HL Interest/ Principal	51	21	102	38	9	221
4	Fixed Deposit	27	89	50	40	15	221
5	NPS	53	88	43	27	10	221
6	NSC	75	26	53	45	22	221
7	Donation	26	47	46	96	6	221
8	ELSS	46	86	30	49	10	221
	FREQUENCY	357	507	491	326	87	1768
	PERCENTAGE	20.19	28.68	27.78	18.44	4.92	100

Source: Primary data

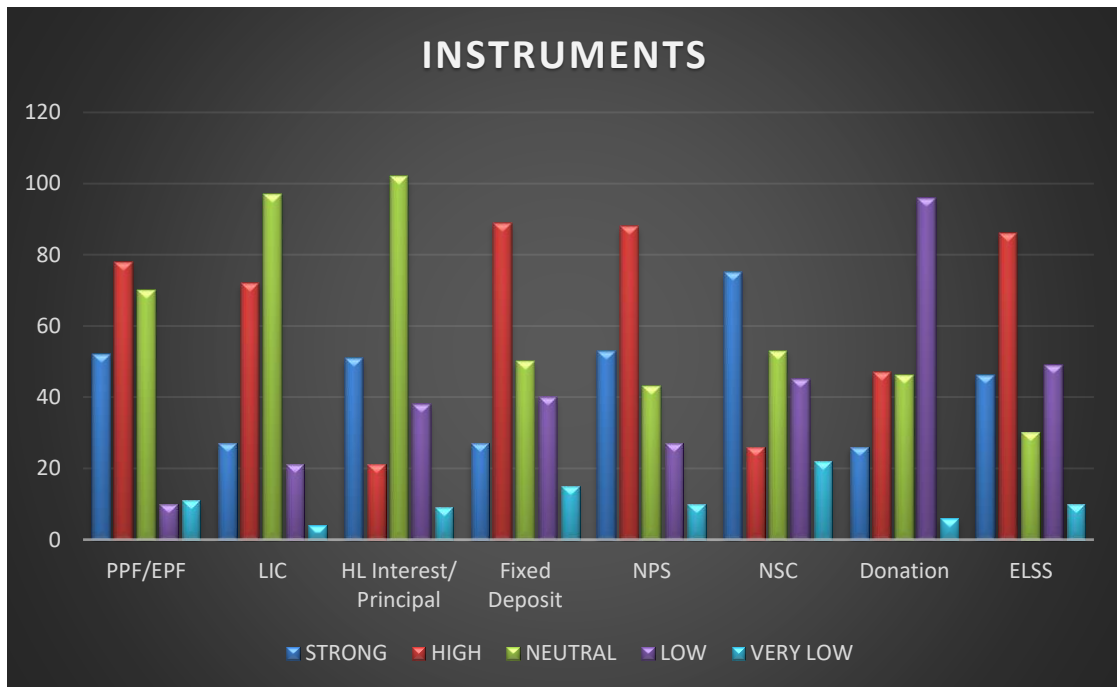


Chart 4.22: Tax Savings Instruments of the respondents

INFERENCE

Table indicates the instruments of tax savings, 102 respondents are majority neutral deposit in HL Interest/ Principal, 75 respondents are least deposit in NSC but they have marked strong as well as for NSC respectively.

4.23 T-TEST – INDEPENDENT SAMPLE TEST

MEASURING THE SIGNIFICANT INFLUENCE ON SATISFACTION WITH CURRENT TAX PLANNING STRATEGIES AND INCOME TAX DEDUCTION BENEFITS

Hypothesis

Null Hypothesis (H0) – There is no significant difference between satisfaction with current tax planning strategies and income tax deduction benefits

Alternative Hypothesis (H1) – There is significant difference between satisfaction with current tax planning strategies and income tax deduction benefits

Table 4.23: Table showing the significant difference between satisfaction with current tax planning strategies and income tax deduction benefits

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Satisfied with your current tax planning strategies	Female	100	2.23	.920	.092
	Male	119	2.43	1.176	.108
Income Tax benefits, example. Deductions from salary/income, etc	Female	100	1.32	.469	.047
	Male	119	1.44	.498	.046

Independent Samples Test								
Levene's Test for Equality of Variances		t-test for Equality of Means						
							95% Confidence Interval of the Difference	
	Sig.	t	df	Sig.	Mean	Std.	Lower	Upper

f						(2-tailed)	Difference	Error Diffe		
Satisfied with your current tax planning strategies	Equal variances assumed	21.362	<.001	- 1.372	217	.171	-.199	.145	-.484	.087
	Equal variances not assumed			- 1.402	215.934	.162	-.199	.142	-.478	.081
Income Tax benefits, example. Deductions from salary/income, rebates,etc	Equal variances assumed	11.602	<.001	- 1.778	217	.077	-.117	.066	-.247	.013
	Equal variances not assumed			- 1.787	214.198	.075	-.117	.065	-.246	.012

Independent Samples Test										
Levene's Test for Equality of Variances			t-test for Equality of Means							
									95% Confidence Interval of the Difference	
			Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Diffe	Lower	Upper
Satisfied with your current tax planning strategies	Equal variances assumed	21.362	<.001	- 1.372	217	.171	-.199	.145	-.484	.087
	Equal variances not assumed			- 1.402	215.934	.162	-.199	.142	-.478	.081
Income Tax benefits, example.	Equal variances assumed	11.602	<.001	- 1.778	217	.077	-.117	.066	-.247	.013

Deductions from salary/income, rebates,etc	Equal variances not assumed			- 1.787	214.198	.075	-.117	.065	-.246	.012
--	-----------------------------	--	--	---------	---------	------	-------	------	-------	------

Independent Samples Effect Sizes						
		Standardized	Point Estimate	95% Confidence Interval		
				Lower	Upper	
Satisfied with your current tax planning strategies	Cohen's d	1.067	-.186	-.452	.080	
	Hedges' correction	1.070	-.186	-.451	.080	
	Glass's delta	1.176	-.169	-.435	.098	
Income Tax benefits, example. Deductions from salary/incomes, etc	Cohen's d	.485	-.241	-.508	.026	
	Hedges' correction	.487	-.240	-.506	.026	
	Glass's delta	.498	-.235	-.502	.033	

INFERENCE

Paired T-Test – (Independent Sample) is a statistical technique that is used to compare two tax planning and tax strategies means in the case of two samples are connected. We accept the null hypothesis and reject the alternative hypothesis.

4.24 CORRELATIONS COEFFICIENT

MEASURING THE SIGNIFICANT INFLUENCE BETWEEN INCOME EARNINGS AND SALARY SAVING AS A FACTOR

Hypothesis

Null Hypothesis (H0) – There is no significant difference between Income Earnings and Monthly salary savings

Alternative Hypothesis (H1) – There is significant difference between Income Earnings and Monthly salary savings.

Table 4.24: Table showing the associate between Yearly Income Earned and Monthly salary saving

Correlations			
		Income Details	Percentage of your monthly salary do you save
Income Details	Pearson Correlation	1	.058
	Sig. (2-tailed)		.387
	N	221	221
Percentage \of your monthly salary do you save	Pearson Correlation	.058	1
	Sig. (2-tailed)	.387	
	N	221	221

INFERENCE

The value of Correlation coefficient (r) is .058. As the two variables were put into Pearson correlation, we infer the Pearson correlation value to be 0.58 which is greater than 0.5 and hence there is a significance relationship between Income Earnings and Salary savings from financial planning and tax savings and thus accept the null hypothesis and reject the alternative hypothesis.

4.25 ONEWAY ANOVA

MEASURING THE SIGNIFICANCE INFLUENCE BETWEEN OBJECTIVE FACTOR OF INVESTMENT AND SALARIED EMPLOYEE PAYING MORE TAX

THAN BUSINESSMEN

Hypothesis

Null Hypothesis (H0) – There is significant difference between objective factor of investment and salaried employee paying more tax than businessmen

Alternative Hypothesis (H1) – There is significant difference between objective factor of investment and salaried employee paying more tax than businessmen

Table 4.25: Table showing the associate between objective factor of investment and salaried employee paying more tax than businessmen

Descriptive								
Main Objective factor of Investment								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Higher Return	52	2.42	1.419	.197	2.03	2.82	1	5
Safety	64	1.89	1.183	.148	1.60	2.19	1	5
Liquidity	59	2.00	1.218	.159	1.68	2.32	1	4
Tax Bnefit	32	2.31	1.424	.252	1.80	2.83	1	5
Inflation	14	2.21	1.369	.366	1.42	3.00	1	4
Total	221	2.13	1.305	.088	1.95	2.30	1	5

ANOVA					
Salaried people are paying more income Tax than businessmen.					
	Sum of Squares	df	Mean Square	F	Sig.
Between	10.294	4	2.573	1.526	.196

Groups					
Within Groups	364.159	216	1.686		
Total	374.452	220			

Salaried people are paying more income Tax than businessmen		
Duncan		
Main objective factors of investment	N	Subset for alpha = 0.05
		1
Safety	64	1.89
Liquidity	59	2.00
Inflation	14	2.21
Tax Benefit	32	2.31
Higher Return	52	2.42
Sig.		.146
Means for groups in homogeneous subsets are displayed.		
a. Uses Harmonic Mean Sample Size = 32.366.		
b. The harmonic mean of the group sizes is used.		

INFERENCE

Since p value (.146) is greater than 0.05 at 5 percent level of significance we accept the null hypothesis and reject the alternative hypothesis. Hence there is no significant difference between the objective factor of investment and salaried employee paying more tax than businessmen.

4.26 CHI SQUARE

A chi-square statistic is a test that measures how expectations compare to actual observed data. The data used in calculating a chi-square statistic must be random, raw, mutually exclusive, draw from independent variables, and drawn from a large enough sample.

MEASURES THE SIGNIFICANT INFLUENCE BETWEEN INCOME BECOMES TAXABLE AND AWARENESS OF TAX DEDUCTION EXEMPTED

Hypothesis

Null Hypothesis (H0) – There is no significant difference between income becomes taxable and awareness of tax deduction exempted

Alternative Hypothesis (H1) – There is significant difference between income becomes taxable and awareness of tax deduction exempted

Table 4.5.1: Table showing the associate between income becomes taxable and awareness of tax deduction exempted

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Perce nt	N	Perce nt	N	Per cen t
Income becomes taxable	221	99.5%	1	0.5%	222	100 .0%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	46.099 ^a	3	.000
Likelihood Ratio	52.249	3	.000
Linear-by-Linear Association	.200	1	.655
N of Valid Cases	221		
a. 0 cells (.0%) have expected count less than 5. The minimum expected			

count is 7.08.

INFERENCE

As the value pearson Chi-square (.000) lesser than 0.05 H_0 is rejected and hence proved there is significant relationship between income becomes taxable and awareness of tax deduction exempted.

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- Majority (43%) of the respondents are fall in the age category of 36-45 years
- Majority (54.3%) of the respondents are male.
- The employee details of respondents, 221 respondents are filled the employee details, 26.2% respondents are Engineer and 9.5% are railway employees. Therefore the majority is 58 respondents are engineering.
- Majority (44.3%) of earning income Between Rs 5 Lakh to Rs. 7.5 Lakh and 5 respondents are low earning above Rs. 20 Lakh respectively.
- Monthly salary saving 52% of respondents are Less than 20%, 33% of respondents are Between 20% to 50%, 9% of respondents are Between 35% to 50%, 5.9% of respondents are over 50%. Therefore 115 respondents are Majority saving Less than 20%, 13 respondents are low saving over 50%.
- Repay loans in monthly salary 11.3% of respondents are Nil not taken loan, 39.4% of respondents are Less than 20%, 38.5% of respondents are Between 20% to 35%, 7.7% of respondents are Between 35% to 50%, 3.2% respondents are Over 50%. Therefore 87 respondents are majority of repay loans less than 20% and over 7 respondents are low.
- Investment in different avenues for financial planning, 54.8% respondents are investing in Life insurance, 46.2% respondents are investing in Fixed deposits, 35.3% of respondents are investing in Mutual funds, 19.9% of respondents are investing in Gold, 16.3% of respondents are investing in PPF and 7.7% of respondents are using Equity market and Post office deposit. Therefore 121 respondents majority investing in Life insurance and 117 respondents are least investing in Equity market & Post office deposit.
- Objective factor of investment, 64 respondents are main factor to investing is Higher return, 81 respondents are marked as Safety, 82 respondents are marked as Liquidity 79 respondents are marked as Tax benefit, 83

respondents are marked as Inflation, 79 respondents are marked as Appreciation, 74 respondents are marked as Risk covered, 83 respondents are aged needs, 75 respondents are marked as Experts advice. Therefore 83 respondents are majority marked as Age needs and Inflation. 65 respondents are least in past experience.

- 58.4% of respondents are interested in financial planning workshops, 41.6% of respondents are not interested in financial planning workshops. Therefore 129 respondents are majority of interest if company or government offer financial planning workshops.
- 77 respondents suggestion to encourage employees to start early, 102 respondents to offer more frequent financial planning workshops, 76 respondents to use objective teacher in workshop; not sales people, 78 respondents to workshop offered various times, 68 respondents are marked as others. Therefore 102 respondents are majority as marked as offer more frequent financial planning workshops for financial planning, 76 respondents are least marked as use objective teachers in workshops; not sales people.
- Salaried people are paying more income tax than businessmen, 18.1% respondents are strongly agreed, 51.6% respondents are agree, 18.6% respondents are neither agree or disagree, 8.6% respondents are disagree, 3.2% respondents are strongly agree. Therefore majority is 114 respondents are agreed that salaried employee are paying more tax than businessman.
- Tax planning at the beginning of every year, 41.2% respondents marked as yes they are tax planners at the beginning year, 58.8% respondents marked as No they are not tax planners at the beginning of every year. Therefore majority of 130 respondents are not planning the tax beginning of every year.
- 43.6% of respondents are jointly pays the tax, 56.4% of respondents are separately pays the tax. Therefore majority of 123 respondents are pays tax by separately.

- Taxable income in 2026. 59.7% of respondents are marked as Higher, 40.3% of respondents are marked as Lower. Therefore majority is 132 of respondents are expecting tax income will be higher in 2026 respectively.
- Emergency fund, 43.6% of respondents do not have an emergency fund, 36.8% of respondents have an emergency fund, but it's less than six months' after-tax income, 19.5% of respondents have an adequate emergency fund. Therefore 96 respondents majority do not have an emergency fund.
- In which heads of income become taxable, 35.3% of respondents are marked as Income from salary, 25.3% of respondents are marked as income from house property, 14.5% of respondents profits and gains, 7.7 % of respondents are marked as capital gains, 17.2% of respondents are marked as income from other sources. Therefore 78 respondents are majority marked as income from salary, 17 respondents are least marked as capital gains.
- Tax approach planning, 40.3% of respondents are majority marked as Estimate all incomes during the year, plan investments availing maximum tax benefits, 13.1% of respondents are least marked as Do not actively plan and meet most of my tax liability from the last few months' salary.
- Satisfaction of current tax planning strategies, 46.6% of respondents are majority slightly satisfied by their strategies, 7.7% of respondents are least satisfied by their current strategies.
- Utilize income tax, 61.5% of respondents are utilizing income tax benefits. 38.5% of respondents are not utilizing income tax benefit respectively. Therefore 136 respondents are majority utilizing the income tax benefits.
- 94 of respondents are majority aware of Dividends on my equity shares are tax free in my hand, 74 of respondents are least aware of Short term Capital Gains on equity and equity mutual fund schemes are payable at a lower rate of 15%.

- The awareness of deduction exempted, 58.4% of respondents are awareness of deduction exempted, 41.6% of respondents are not aware of deduction exempted respectively.
- Tax exemptions, 29.4% of respondents applying for Medical insurance premium, 4.7% of respondents are least apply of Donations respectively.
- The instruments of tax savings, 102 respondents are majority neutral deposit in HL Interest/ Principal, 75 respondents are least deposit in NSC but they have marked strong as well as for NSC.

Findings of T-Test,

There is no significant difference between satisfaction with current tax planning strategies and income tax deduction benefits.

Findings of Correlation,

There is a significant difference relationship between Income Earnings and Salary savings from financial planning and tax savings

Findings of ANNOVA,

There is no significant difference between objective factor of investment and salaried employee paying more tax than businessmen. We accept the null hypothesis and reject the alternative hypothesis.

Findings of chi-Square,

There is significant difference between income becomes taxable and awareness of tax deduction exempted

5.2 SUGGESTION

- Financial planning for salaried employee is not just a driven process, it is actually a basic need for every individual and his/her family. It is a complete cycle starting from monthly budget to retirement planning. The process comprises Budgeting, Insurance, Goal-Based Investments, Getting out of Debt, and Retirement. If you miss any of these steps, the cycle will be incomplete.
- Financial planning will be nothing without the first step which is the monthly budget. A survey says many salaried employees don't know their average monthly expenditure. So, if you fall under this case, please try to improve yourself and maintain a monthly budget.
- Identify what you needs, wants and savings.
- There are several tax savings instruments to help with tax planning, some of them come with an E-E-E (i.e. investment, accumulation and withdrawal are all tax exempted) status while some others allow tax deduction claim. The zero tax liability incomes are found under sec 10 of the Indian Tax Act of 1961 and tax deductions are available under the sec 80C.
- Equity – Linked Savings schemes, Long – Term Capital Gains from Sale of Long – Term Assets, Agricultural Income, Public Provident Fund, Educational loans, Educational scholars, Voluntary donations, Home loans, Interest Income on Savings Account, HUF Receipts, Unit-Linked Insurance Plan these are all some of the tax savings strategies for salaried employees.
- Important note: Not all tax savers are the same in terms of asset – class, so one should choose to use the instrument that best suits their individual needs. The safety, Liquidity and returns of the tax savings instrument should be taken consideration. No financial decisions should be made based on the returns to be gained. Your goal is not only to save on taxes, but also to achieve different goals you have set for yourself. Hence, one should always have clear-cut objectives and should link their tax instruments to the desired goal.

5.3 CONCLUSION

The project has done on the financial planning for salaried employee and strategies for tax savings in Chennai. The financial planning and tax savings is based on the information provided by the employees. Financial planning reduces not only the tax burden but also gives mental satisfaction. Chapter 2 reveals the literature and discusses a proposed conceptual framework for the research. The objective of this study have been defined, to understand the present status of financial planning and tax savings of salaried employees and to evaluate the suggestions of financial planning and tax savings has been discussed. The research design and the methods of data collection have been outlined in chapter 3. The study concludes that, salaried employee want to know their tax obligation in the right perspective and measures of financial planning available to them so that they can make the best use of their earnings by reducing the incidence of tax. Thus, Financial Planning is not at all complicated and could be done with a certain degree of awareness and application.

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A STUDY ON FINANCIAL PLANNING FOR SALARIED EMPLOYEE AND STRATEGIES FOR TAX SAVINGS IN CHENNAI

APPENDIX – I (Questionnaire)

1. Gender

- a) Male
- b) Female

2. Age

- a) Below 18
- b) 19-35
- c) 36-45
- d) 46-55
- e) Over 55

3. Employee Details

Specify

4. Income Details

- a) Below Rs. 5 Lakh
- b) Between Rs 5 Lakh and Rs. 7.5 Lakh
- c) Between Rs. 7.5 Lakh and Rs. 10 Lakh
- d) Between Rs. 10 Lakh and Rs. 15 Lakh
- e) Between Rs. 15 Lakh and Rs. 20 Lakh
- f) Above Rs. 20 Lakh.

FINANCIAL PLANNING FACTORS

5. What percentage of your monthly salary do you save?

- a) Less than 20%
- b) Between 20% to 35 %

- c) Between 35% to 50%
- d) Over 50%

6. What percentage of your monthly salary is used to repay loans?

- a) Nil
- b) Less than 20%
- c) Between 20% to 35 %
- d) Between 35% to 50%
- e) Over 50%

7. Have you made investment in following different Avenues for Financial Planning?

- a) Life Insurance
- b) Fixed Deposits
- c) Mutual Fund
- d) Equity market
- e) Gold
- f) PPF
- g) Post office deposit

8. What are the main objective factors of investment:

S.NO	OBJECTIVE FACTORS OF INVESTMENT	RATINGS				
		1	2	3	4	5
1	Higher return					
2	Safety					
3	Liquidity					
4	Tax benefit					

5	Inflation					
6	Appreciation					
7	Risk covered					
8	Age needs					
9	Expert's advice					
10	Past experience					

9. If Company offered financial planning workshops, would this be of interest to you ?

- a) yes
- b) No

10. What suggestions would you provide for employees on financial planning?

S.NO	EMPLOYEE SUGGESTIONS	RATINGS				
		1	2	3	4	5
1	Encourage employees to start early					
2	Offer more frequent financial planning workshops					
3	Use objective teachers in workshops; not sales people					
4	Workshop offered at various times					
5	Other					

11. When we compare the two major categories, i.e., salaried employee and businessman, it is found that salaried people are paying more income Tax than businessmen. Do you agree?

- a) Strongly agree
- b) Agree
- c) Neither Agree or Disagree
- d) Disagree
- e) Strongly Agree

STRATEGIES FOR TAX SAVINGS FACTORS

12. Are you doing tax planning at the beginning of every year?

- a) Yes
- b) No

13. Do you file taxes jointly or separately?

- a) Jointly
- b) Separately

14. Would you expect your taxable income in 2026 to be higher or lower than it is today?

- a) Higher
- b) Lower

15. Do you have an emergency fund (i.e., savings of at least six months' after-tax income)?

- a) No, I do not have an emergency fund.
- b) I have an emergency fund, but it's less than six months' after-tax income.
- c) Yes, I have an adequate emergency fund.

16. Under which heads of income, your income becomes taxable?

- a) Income from salary
- b) Income from house property
- c) Profits and gains of business, profession
- d) Capital gain
- e) Income from other sources

17. How do you approach Tax Planning during the year?

- a) Estimate all incomes during the year, plan investments availing maximum tax benefits
- b) Plan tax savings towards the end of the financial year
- c) Do not actively plan and meet most of my tax liability from the last few months' salary
- d) Take the help of an expert like Chartered Accountant (CA)

18. Are you satisfied with your current tax planning strategies?

- a) Not satisfied
- b) Slightly satisfied
- c) Moderately satisfied
- d) Highly satisfied

19. Do you fully utilize Income Tax benefits, eg. Deductions from salary/income, etc?

- a) Yes
- b) No

20. Aware of the following (please select as many as applicable in your case):

S.NO	AWARENESS OF TAX	RATINGS				
		1	2	3	4	5
1	Interest on my Savings Bank A/c. and Fixed Deposit A/c. are added to my total					

	income and taxed accordingly					
2	Dividends on my equity shares are tax free in my hand					
3	Income in the form of dividends received from Mutual Fund units is tax free in my hand					
4	Short term Capital Gains on income funds, bonds, Gold ETFs (less than a year from investment) are added to my total income and taxed accordingly					
5	Short term Capital Gains on equity and equity mutual fund schemes are payable at a lower rate of 15%					

21. Are you aware about the deductions exempted under Chapter VIA (i.e Sections 80C, 80CCC, 80CCD, 80D, 80E, 80G)?

- a) Yes
- b) No

21. A.) If yes then what are the exemptions you apply for?

- a) Insurance Premium
- b) Payment to Pension Scheme
- c) Medical Insurance Premium
- d) Educational Loan Repayment
- e) Donations
- f) Investment in Mutual Funds ELSS

22. Prefer Tax Savings Instruments:

PPF/EPF - Public Provident Fund - LIC - Life Insurance Corporation - HL Interest/ Principal Home Loan - Fixed Deposit - NPS - National Pension System - NSC - National Saving Certificate. Donation - ELSS - Equity Linked Savings Scheme.

Instruments savings	Strong	High	Neutral	Low	Very low
PPF/EPF					
LIC					
HL Interest/ Principal					
Fixed Deposit					
NPS					
NSC					
Donation					
ELSS					



IJARESM

ISSN: 2455-6211, New Delhi, India

International Journal of All Research Education & Scientific Methods

An ISO & UGC Certified Peer-Reviewed Multi-disciplinary Journal

Certificate of Publication

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TITLE OF PAPER

A Study on Financial Planning For Salaried Employee and
Strategies for Tax Savings in Chennai

has been published in

IJARESM, Impact Factor: 7.429, Volume 9 Issue 3, March - 2021

Paper Id:

IJARESM/Mar

21 Date: 31-03-

2021



Website: www.ijaresm.com

Email: editor.ijaresm@gmail.com





International Journal of All Research Education & Scientific Methods

An ISO & UGC Certified Peer-Reviewed Multi-disciplinary Journal ISSN: 2455-6211, New Delhi, India

Impact Factor: 7.429, SJR: 2.287

Acceptance Letter

Dated: 31/03/2021 Paper Id: IJARESM/Mar21

Dear Authors,

We are glad to inform you that your paper has been accepted as per our fast peer review process:

Authors Name: Ramya R

Paper Title: A Study on Financial Planning For Salaried Employee and Strategies for Tax Savings in Chennai

Paper Status: Accepted for possible publication in

International Journal of All Research Education & Scientific Methods, (IJARESM), ISSN No: 2455-6211", Impact Factor: 7.429, in the current Issue, Volume 9, Issue 3, March - 2021.



Best Regards,

Editor-in-Chief,

IJARESM Publication, India

An ISO & UGC Certified Journal www.ijare

ABSTRACT

The research paper related to financial planning and tax savings aspects of salaried employee. Tax Strategies is an important component of tax planning. In Chennai, tax on personal income takes away foremost part of earned income. As every individual salaried employee who have earned early income which is more than a limit as prescribed by the income tax law is liable to pay tax. The objective of this paper is to study the financial planning for salaried employee and strategies for tax savings in Chennai. The data was collected through structured questionnaire by Google form filled by 221 employees working in different sectors at Chennai. It was found from the analysis there is relationship between Annual savings, and Age, Income, Sector wise employment designation of people at Chennai. Analysis has been through percentage analysis, Correlation, One way, ANNOVA, T-Test, Chi-square. Overall findings of the paper reveals that Sec 80C, 80CCC, 80CCD, 80D, 80E, 80G, deduction is the most adopted tax savings instruments. The paper concludes salaried employee want to know their tax obligations in the right perspective and measures of financial planning available to them so that they can make the best use of their earnings by reducing the incidence of tax.

Keywords: Financial planning, Tax savings, strategies for tax savings, salaried employee.

1. INTRODUCTION

1.1 Introduction of Financial Planning

Financial Planning is the process of meeting life goals through the proper management of finances. Financial planning is a process that a person goes through to find out where they are now (financially), determine where they want to be in the future, and what they are going to do to get there. Financial Planning provides direction and meaning to persons financial decisions. It allows understanding of how each financial decision a person makes affects other areas of their finances. For example, buying a particular investment product might help

to pay off mortgage faster or it might delay the retirement significantly. By viewing each financial decision as part of the whole, one can consider its short and long-term effects on their life goals. Person can also adapt more easily to life changes and feel more secure that their goals are on track.

1.2 Income tax law

The law of income tax is contained in income tax Act-1961. Applicable to all assessee whether individual, firm, HUF, Company, Cooperative society, etc. Salaried Employees come under the category of individual. Public Sector employees pay the maximum tax. Tax Management includes tax planning but does not include tax avoidance and tax evasion.

1.3 Tax Management

Tax Management implies the use of legitimate tax shelters: deductions, exemptions and allowances to reduce tax liability. Noteworthy in the above stated definition is the key word “legitimate”. It also includes Filing of tax return timely and properly. Every taxpayer can, with some thought, care and study, legitimately reduce his tax burden.

1.4 Basic Concepts of Income-tax

Income of Previous year is chargeable to tax in the immediately following assessment year. There are 5 main heads of Income: Salary, House Property, Profits/Gains of Business/Profession, Capital Gains, other Sources.

1.5 Income from Salaries

Taxable either on due or on receipt basis. - Basic Pay, DA, Bonus, are fully taxable. HRA, Transport Allowance, Children education allowance are partly taxable. Perquisites are the benefits in cash or in kind attached to an office or position in addition to salary or wages. It includes rent-free or concessional rate accommodation, motor car, gas, electricity, water, etc.

OBJECTIVES OF STUDY

- To study the financial planning for salaried employee and strategies for tax savings in Chennai.

- To find the Income and Savings of the salaried employee in Chennai
- To find out Tax saving strategies adopted by salaried employee
- To study the influence of financial planning and strategies of tax savings on various demographic factors.

NEED OF THE STUDY

The Study is about to find various strategies are available for tax savings and to achieve long and short term financial goals through financial planning. It intend to study the pattern in which employees allocates their savings in tax strategies

LIMITATIONS OF THE STUDY

- The analysis of the present study has been carried out based on the information has collected from salaried employees.
- The study is an opinion survey; caution may have to be exercised while extending the result to other areas.
- Due to time constrict only 221 numbers of respondents were considered.
- The result fully depends on the information given by the respondents which may be base.

2. REVIEW OF LITERATURE

A literature review is a body of text that aims to review the critical points of current knowledge on a particular topic.

Bitto Benny (2018) “A Study on Tax Awareness and Planning Measures Adopted by the Salaried Class in Bangalore City” The economy of India is a developing mixed economy. It is the world’s sixth largest economy by nominal GDP and the third largest by purchasing power parity. The salaried employees constitute a stable class of tax payers who contribute to the public exchequer about 12 percent of the total revenue collection by the way of income tax. Tax planning has assumed special importance for salaried class of tax payers in view of the

mounting pressures of inflation, price hike and their and strict obligation for tax compliance.

Blessy A. & Varghese (2019) "A Study on Tax Planning Measures Adopted by Salaried Class with Special Reference to Chengannur Municipality, Alappuzha District" The economy of India is a developing mixed economy. It is the world's sixth largest economy by nominal GDP and the third largest by purchasing power parity.

Dr. Sebastian .T. Joseph (2017) "A Comprehensive Study among the Working Women towards the Awareness of Tax Saving Schemes in Allahabad" Government has to play an important role in all round development of society and country as a whole. Tax constitutes the main source of finance whereby government raises revenues for public spending.

Myron S. Scholes, G.Peter Wilson, Mark A. Woolfson (1990) "Taxing Planning, Regulatory capital Planning and Financial Reporting Strategy for Commercial Banks" We test whether banks' investment and financing policies can be explained by tax status. We document changes in bank holdings of municipal bonds in response to changes in tax rules relating to deductibility of interest expense. We also document an association between banks' marginal tax rates and their investment and financing decisions, which is consistent with the existence of tax clienteles.

M. Kumaraswamy & DivakarVelya M, (2020) "Tax Planning – An Analysis on Housing Loans" Housing loans, for sure, makes it possible to an individual to own a house. A gradual increase over the times in the associated costs of real estate makes a housing loan lasts for decades. As every Government's priority is to provide shelter to all its citizens; on the other hand, it is reducing housing loan borrowers tax burden through several Income Tax provisions. This paper focuses on these issues in every possible dimension.

Bharathraj Shetty & M. Muthu Gopalakrishnan (2013) "An Analysis of Investors Attitude towards Various Tax Saving Schemes" The objective of the study is to

study investor's preference towards various tax saving schemes (under various sections of Income Tax, Act 1961). The tax saving schemes in which investors have invested, to identify patterns of investment in tax saving schemes. Data required to identify the historical growth of investment in different tax saving schemes.

Dr. K. Krishnamurthy (2015) "Investment Pattern and Awareness of Salaried Class Investors in Tiruvannamalai District of Tamilnadu" The results also highlight that certain factors like education level, age of investors, number of family members etc make significant impact while deciding on the avenues for investment. The present study is based on primary sources of data which are collected by distribution of a close ended questionnaire. The data has been analyzed using chi-square test. The research shows that majority of the respondents are saving money as Bank deposits for the safety of predictable future. This article highlights investment pattern and awareness of salaried class investors in Tiruvannamalai district of Tamilnadu.

Rini Hastuti (2014) "Tax Awareness and Tax Education: A Perception of Potential Taxpayers" Self assessment system requires tax payers to have full understanding of tax rules. Students of high education are perceived as potential tax payers since in the future they will earn revenues that are subjected to taxes. Based on previous research, having full understanding of tax is proved to drive tax evasion; hence tax education becomes a key.

K. Saravanan, Dr. K. Muthu Lakshmi (2017) "Tax Saving Scheme and Tax Saving Instruments of Income Tax in India" To study the planning of individual income tax and tax saving instruments of individual income tax. By doing so they can plan in advance about their Tax savings instrument. Tax planning is an essential part of our financial planning. The purpose of the study is to find out the most suitable and popular tax saving scheme and tax saving instrument used to save tax and also to examine the amount saved by using that instrument.

Jon Gruber, Emmanuel Saez (2002) “The elasticity of taxable income: evidence and implications” A central tax policy parameter that has recently received much attention, but about which there is substantial uncertainty, is the overall elasticity of taxable income. The elasticity of real income, not including tax preferences, is much lower. We also estimate small income effects on tax changes on reported income, implying that the compensated and uncompensated elasticities of taxable income are very similar. We estimate that this overall elasticity is primarily due to a very elastic response of taxable income for taxpayers who have incomes above \$100,000 per year, who have an elasticity of 0.57, while for those within comes below\$100,000 per year the elasticity is less than one-third as large.

3. RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The area of study for this research is confine to Chennai alone. The period of this study was January 2021 to April 2021. The design of the study is descriptive in nature as it accurately describes a situation with its associated variables.

The sample size chosen from study is 221 samples and they were selected using random sampling method.

3.2 SAMPLING TECHNIQUE

3.2.1 SAMPLE PLAN

Sample location; CHENNAI, Questionnaire and observational, through surveys and also from secondary data.

3.2.2 SAMPLING FRAME

In the above case, sampling frame will be all the employees having professional qualification in selected company.

3.3 DATA COLLECTION METHODS / SOURCE OF DATA

The Google form survey is used for this analysis. The data going to collect using primary & secondary sources.

3.3.1 PRIMARY DATA

The primary data is going to be collect questionnaire and observation. there are also formal and informal discussions with the employees

3.3.1.2 Questionnaire

The method was adopted in primary data collection was Questionnaire. This was used to assist a more structured form of information. The information thus obtained was standard and in a more unbiased form. It assisted to collect the data from a large sample size. The pattern adopted was a general form of questionnaire about the financial planning and strategies for tax savings by employees.

3.3.2 SECONDARY DATA

Secondary data means data that are already available i.e., the data which is already collected and analyzed by other. To get a better understanding and to have a larger exposure on the subject this method will use. Methods use was data available on World Wide, Web, articles in newspaper, financial industry reports, financial planning board of India reports and articles, reports published by government of India.

3.4 PERIOD OF STUDY

The period of study is from January 2020 to April 2021 which is a four months of study.

3.5 TOOLS USED FOR ANALYSIS:

After the collection of the data through the questionnaire, editing was done carefully. Based on the response of the samples, tables where prepared. The Data analyze and interpreted with the help of tables and figures. The tools used to analyze the data were Frequency analysis, Simple percentage analysis. SPSS Tools were used T-Test, Chi square and correlation are done in the statistical method.

1. DATA ANALYSIS AND INTERPRETATION

Introduction

The main object of this chapter to identify the data analysis and interpretation on a study on salaried employees about financial planning and strategies for tax savings of the respondents. The statistical tools like frequency distribution and percentage analysis and Chi square and Correlation analysis were used for the study.

The variables relating to data analysis and interpretation on employees opinion about financial planning and tax savings in Chennai of the respondents are given below:

Demographic profile

The variable relating to demographic profile of the respondents are analyzed with age, gender, employee details, income.

Analysis and discussion

The variables on demographic profile which portaged were analyzed in the next page from table 4.1 to 4.19

Table 4.1: Frequency Analysis for Gender of the respondents

S.NO	GENDER	FREQUENCY	PERCENTAGE
1	Male	119	54.3
2	Female	100	45.7
	TOTAL	219	100

Source: Primary data

INFERENCE

Table indicates that 54.3% respondents are male & 45.7% respondents are female. Therefore majority is male 119 people are responded the questionnaire respectively.

Table 4.2: Frequency Analysis for Age of the respondents

S.NO	AGE	FREQUENCY	PERCENTAGE
1	19 – 35	42	19
2	36 – 45	94	43
3	46-55	58	26
4	Over 55	27	12
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicate that 51.1% of respondents are majority 19-35 age group, 26.2% of respondents are 36-45 age group, 14.9% of the respondents are 46 – 55 age group and 4.1% of respondents are below 18 age group and over 55 age group people are 3.6% of respondents. Therefore the majority of respondents are 19-35 age group people are responded the questionnaire and least is above 55 age group people.

Table 4.3: Frequency Analysis for Employee Designation of the respondents

S.NO	DESIGNATION	FREQUENCY	PERCENTAGE
1	Accountant	15	6.78
2	Project Planning	9	4.07
3	Supervisor	16	7.2
4	Power Plant Operator	4	1.8
5	Software Developer	23	10.4
6	Engineer	58	26.2
7	Railway	21	9.5
8	Staff Nurse	11	4.97
9	Digital Process Operator	8	3.6
10	Production Technician	13	5.88

11	Manufacturing Production	5	2.26
12	Sales	18	8.1
13	Others	20	9.04
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates that the employees details of respondents, 221 respondents are filled the employee details, 26.2% respondents are Engineer and 9.5% are railway employees. Therefore the major is 58 respondents are engineering respectively.

Table 4.4: Frequency Analysis for Income of the respondents

S.NO	INCOME	FREQUENCY	PERCENTAGE
1	Below Rs. 5 Lakh	53	24
2	Between Rs 5 Lakh to Rs. 7.5 Lakh	98	44.3
3	Between Rs. 7.5 Lakh to Rs. 10 Lakh	37	16.7
4	Between Rs. 10 Lakh to Rs. 15 Lakh	22	10
5	Between Rs. 15 Lakh to Rs. 20 Lakh	6	2.7
	Above Rs. 20 Lakh.	5	2.3
	TOTAL	221	100

Source; Primary data

INFERENCE

Table indicates that 24%, 44.3%, 16.7%, 10%, 2.7%, 2.3% of the respondents earn income Below Rs 5 Lakh, Between Rs 5 Lakh to Rs 7 Lakh,

Between Rs. 7.5 Lakh to Rs. 10 Lakh, Between Rs. 10 Lakh to Rs. 15 Lakh, Between Rs. 15 Lakh to Rs. 20 Lakh Above Rs. 20 Lakh. Therefore 98 of the respondents income is Between Rs 5 Lakh to Rs. 7.5 Lakh are majority of earning income and 5 respondents are low earning above Rs. 20 Lakh respectively.

Table 4.5: Frequency Analysis for Monthly Savings of the respondents

S.NO	SAVING	FREQUENCY	PERCENTAGE
1	Less than 20%	115	52
2	Between 20% to 35 %	73	33
3	Between 35% to 50%	20	9
4	Over 50%	13	5.9
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates monthly salary saving 52% of respondents are Less than 20%, 33% of respondents are Between 20% to 50%, 9% of respondents are Between 35% to 50%, 5.9% of respondents are over 50%. Therefore 115 respondents are majority saving Less than 20%, 13 respondents are low saving over 50% respectively.

4.1.6. Percentage of Monthly salary is used to repay loans

Table 4.6: Frequency Analysis for Repay Loans of the respondents

S.NO	REPAY LOANS	FREQUENCY	PERCENTAGE
1	Nil	25	11.3

2	Less than 20%	87	39.4
3	Between 20% to 35 %	85	38.5
4	Between 35% to 50%	17	7.7
5	Over 50%	7	3.2
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates Repay loans in monthly salary 11.3% of respondents are Nil not taken loan, 39.4% of respondents are Less than 20%, 38.5% of respondents are Between 20% to 35%, 7.7% of respondents are Between 35% to 50%, 3.2% respondents are Over 50%. Therefore 87 respondents are majority of repay loans less than 20% and over 7 respondents are low respectively.

Table 4.7: Frequency Analysis for Objectives of Investment in Financial Planning of the respondents

OBJECTIVE FACTORS OF INVESTMENT	STRONGLY AGREE	AGREE	AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE	TOTAL
Higher return	14	64	59	32	52	221
Safety	7	56	81	48	29	221
Liquidity	13	37	82	62	27	221
Tax benefit	12	29	46	55	79	221
Inflation	17	35	83	68	18	221
Appreciation	45	79	56	22	19	221
Risk covered	17	59	74	41	30	221
Age needs	23	17	41	57	83	221

Expert's advice	30	35	22	75	59	221
Past experience	25	43	56	65	32	221
FREQUENCY	203	454	600	525	428	2210
PERCENTAGE	9.1	20.5	27.1	23.7	19.3	100

Source: Primary data

INFERENCE

Table indicates objective factor of investment, 64 respondents are main factor to investing is Higher return, 81 respondents are marked as Safety, 82 respondents are marked as Liquidity 79 respondents are marked as Tax benefit, 83 respondents are marked as Inflation, 79 respondents are marked as Appreciation, 74 respondents are marked as Risk covered, 83 respondents are aged needs, 75 respondents are marked as Experts advice. Therefore 83 respondents are majority marked as Age needs and Inflation. 65 respondents are least in past experience respectively.

Table 4.8: Frequency Analysis for Tax planning of the respondents

S.NO	TAX PLANNING	FREQUENCY	PERCENTAGE
1	Yes	91	41.2
2	No	130	58.8
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates tax planning at the beginning of every year, 41.2% respondents marked as yes they are tax planners at the beginning year, 58.8% respondents marked as No they are not tax planners at the beginning of every year. Therefore majority of 130 respondents are not planning the tax beginning of every year.

Table 4.9: Frequency Analysis for Taxpayers of the respondents

S.NO	TAX PAY	FREQUENCY	PERCENTAGE
1	Jointly	95	43.6
2	Separately	123	56.4
	TOTAL	218	100

Source: Primary data

INFERENCE

Table indicates taxes filed in which case, 43.6% of respondents are jointly pays the tax, 56.4% of respondents are separately pays the tax. Therefore majority of 123 respondents are pays tax by separately respectively.

Table 4.10: Frequency Analysis for Expected Taxable Income of the respondents

S.NO	EXPECT TAXABLE INCOME	FREQUENCY	PERCENTAGE
1	Higher	132	59.7
2	Lower	89	40.3
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates expectations of taxable income in 2026. 59.7% of respondents are marked as Higher, 40.3% of respondents are marked as Lower. Therefore majority is 132 of respondents are expecting tax income will be higher in 2026 respectively.

Table 4.11: Frequency Analysis for Emergency Fund of the respondents

S.NO	EMERGENCY FUND	FREQUENCY	PERCENTAGE
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1	No, I do not have an emergency fund.	96	43.6
2	I have an emergency fund, but it's less than six months' after-tax income.	81	36.8
3	Yes, I have an adequate emergency fund.	43	19.5
	TOTAL	220	100

Source: Primary data

INFERENCE

Table indicates emergency fund, 43.6% of respondents do not have an emergency fund, 36.8% of respondents have an emergency fund. Therefore 96 respondents majority do not have an emergency fund respectively.

Table 4.12: Frequency Analysis for Income Taxable of the respondents

S.NO	INCOME TAXABLE	FREQUENCY	PERCENTAGE
1	Income from salary	78	35.3
2	Income from house property	56	25.3
3	Profits and gains of business, profession	32	14.5
4	Capital gain	17	7.7
5	Income from other sources	38	17.2
	TOTAL	221	100

Source: Primary data

INFERENCE

Figure indicates in which heads of income become taxable, 35.3% of respondents are marked as Income from salary, 25.3% of respondents are marked as income from house property, Therefore 78 respondents are majority

marked as income from salary, 17 respondents are least marked as capital gains respectively.

Table 4.13: Frequency Analysis for Approaches on Tax planning of the respondents

S.NO	INCOME TAXABLE	FREQUENCY	PERCENTAGE
1	Estimate all incomes during the year, plan investments availing maximum tax benefits	89	40.3
2	Plan tax savings towards the end of the financial year	73	33
3	Do not actively plan and meet most of my tax liability from the last few months' salary	29	13.1
4	Take the help of an expert like Chartered Accountant (CA)	30	13.6
	TOTAL	221	100

Source: Primary data

INFERENCE

Figure indicates in which heads of income become taxable, 35.3% of respondents are marked as Income from salary, 25.3% of respondents are marked as income from house property, 14.5% of respondents profits and gains, 7.7 % of respondents are marked as capital gains, 17.2% of respondents are marked as income from other sources. Therefore 78 respondents are majority marked as income from salary, 17 respondents are least marked as capital gains respectively.

Table 4.14: Frequency Analysis for Tax planning Strategies of the respondents

S.NO	SATISFACTION OF TAX	FREQUENCY	PERCENTAGE
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	PLANNING STRATEGIES		
1	Not satisfied	48	21.7
2	Slightly satisfied	103	46.6
3	Moderately satisfied	53	24
4	Highly satisfied	17	7.7
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates satisfaction of current tax planning strategies, 46.6% of respondents are majority slightly satisfied by their strategies, 7.7% of respondents are least satisfied by their current strategies respectively.

Table 4.15: Frequency Analysis for Utilize Income Tax of the respondents

S.NO	UTILIZE INCOME TAX	FREQUENCY	PERCENTAGE
1	Yes	136	61.5
2	No	85	38.5
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates utilize income tax, 61.5% of respondents are utilizing income tax benefits. 38.5% of respondents are not utilizing income tax benefit respectively. Therefore 136 respondents are majority utilizing the income tax benefits.

Table 4.16: Frequency Analysis for Deductions exempted of the respondents

S.NO	AWARNESS OF DEDUCTIONS EXEMPTED	FREQUENCY	PERCENTAGE
1	Yes	129	58.4
2	No	92	41.6
	TOTAL	221	100

Source: Primary data

INFERENCE

Table indicates the awareness of deduction exempted, 58.4% of respondents are awareness of deduction exempted, 41.6% of respondents are not aware of deduction exempted respectively.

Table 4.16.1: Frequency Analysis for Exemptions of the respondents

S.NO	EXEMPTIONS	FREQUENCY	PERCENTAGE
1	Insurance Premium	32	24.8
2	Payment to Pension Scheme	12	9.3
3	Medical Insurance Premium	38	29.4
4	Educational Loan Repayment	24	18.6
5	Donations	6	4.7
6	Investment in Mutual Funds ELSS	17	13.2
	TOTAL	129	100

Source: Primary data

INFERENCE

Table indicates the tax exemptions, 29.4% of respondents applying for Medical insurance premium, 4.7% of respondents are least apply of Donations respectively.

Table 4.17: Frequency Analysis for Tax Savings Instruments of the respondents

S.NO	INSTRUMENTS	STRONG	HIGH	NEUTRAL	LOW	VERY LOW	TOTAL
1	PPF/EPF	52	78	70	10	11	221
2	LIC	27	72	97	21	4	221
3	HL Interest/ Principal	51	21	102	38	9	221
4	Fixed Deposit	27	89	50	40	15	221
5	NPS	53	88	43	27	10	221
6	NSC	75	26	53	45	22	221
7	Donation	26	47	46	96	6	221
8	ELSS	46	86	30	49	10	221
	FREQUENCY	357	507	491	326	87	1768
	PERCENTAGE	20.19	28.68	27.78	18.44	4.92	100

Source: Primary data

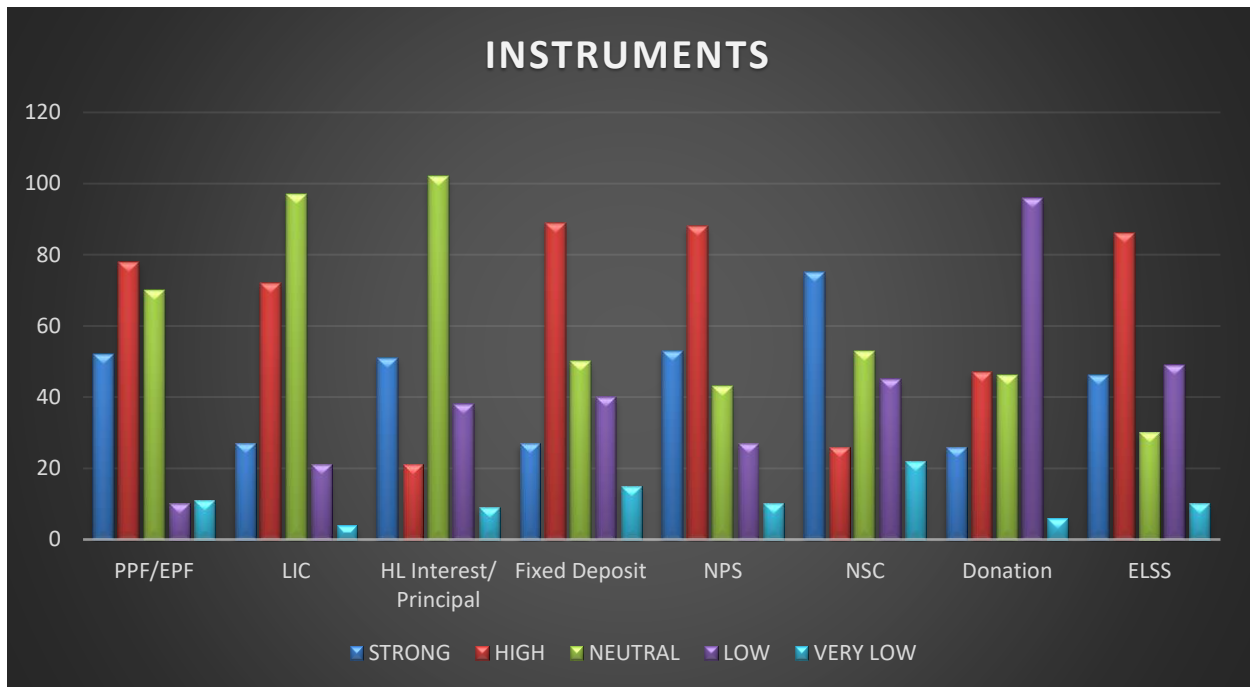


Chart 4.17: Tax Savings Instruments of the respondents

INFERENCE

Table indicates the instruments of tax savings, 102 respondents are majority neutral deposit in HL Interest/ Principal, 75 respondents are least deposit in NSC but they have marked strong as well as for NSC respectively.

4.18 T-TEST – INDEPENDENT SAMPLE TEST

MEASURING THE SIGNIFICANT INFLUENCE BETWEEN SATISFACTION WITH CURRENT TAX PLANNING STRATEGIES AND INCOME TAX DEDUCTION BENEFITS

Hypothesis

Null Hypothesis (H0) – There is no significant difference between satisfaction with current tax planning strategies and income tax deduction benefits

Alternative Hypothesis (H1) – There is significant difference between satisfaction with current tax planning strategies and income tax deduction benefits

Table 4.18: Table showing the associate between satisfaction with current

tax planning strategies and income tax deduction benefits

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Satisfied with your current tax planning strategies	Female	100	2.23	.920	.092
	Male	119	2.43	1.176	.108
Income Tax benefits, example. Deductions from salary/income, etc	Female	100	1.32	.469	.047
	Male	119	1.44	.498	.046

Independent Samples Effect Sizes					
		Standardized ^a	Point Estimate	95% Confidence Interval	
				Lower	Upper
Satisfied with your current tax planning strategies	Cohen's d	1.067	-.186	-.452	.080
	Hedges' correction	1.070	-.186	-.451	.080
	Glass's delta	1.176	-.169	-.435	.098
Income Tax benefits, example. Deductions from salary/income, etc	Cohen's d	.485	-.241	-.508	.026
	Hedges' correction	.487	-.240	-.506	.026
	Glass's delta	.498	-.235	-.502	.033

INFERENCE

Paired T-Test – (Independent Sample) is a statistical technique that is used to compare two tax planning and tax strategies means in the case of two samples are connected.

4.19 CORRELATIONS COEFFICIENT

MEASURING THE SIGNIFICANT INFLUENCE BETWEEN INCOME EARNINGS AND SALARY SAVING AS A FACTOR

Hypothesis

Null Hypothesis (H0) – There is no significant difference between Income Earnings and Monthly salary savings

Alternative Hypothesis (H1) – There is significant difference between Income Earnings and Monthly salary savings

Table 4.19: Table showing the associate between Yearly Income Earned and Monthly salary saving

Correlations			
		Income Details	Percentage of your monthly salary do you save
Income Details	Pearson Correlation	1	.058
	Sig. (2-tailed)		.387
	N	221	221
Percentage \of your monthly salary do you save	Pearson Correlation	.058	1
	Sig. (2-tailed)	.387	
	N	221	221

INFERENCE

The value of Correlation coefficient (r) is .058. As the two variables were put into Pearson correlation, we infer the Pearson correlation value to be 0.58 which is greater than 0.5 and hence there is a significance relationship between Income Earnings and Salary savings from financial planning and tax savings and thus accept the null hypothesis and reject the alternative hypothesis.

4.20 ONEWAY ANOVA

MEASURING THE SIGNIFICANT INFLUENT BETWEEN OBJECTIVE FACTOR OF INVESTMENT AND SALARIED EMPLOYEE PAYING MORE TAX THAN BUSINESSMEN

Hypothesis

Null Hypothesis (H0) – There is no significant difference between objective factor of investment and salaried employee paying more tax than businessmen

Alternative Hypothesis (H1) – There is significant difference between objective factor of investment and salaried employee paying more tax than businessmen

Table 4.21: Table showing the associate between objective factor of investment and salaried employee paying more tax than businessmen

Descriptive								
Main Objective factor of Investment								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Higher Return	52	2.42	1.419	.197	2.03	2.82	1	5
Safety	64	1.89	1.183	.148	1.60	2.19	1	5

Liquidity	59	2.00	1.218	.159	1.68	2.32	1	4
Tax Bnefit	32	2.31	1.424	.252	1.80	2.83	1	5
Inflation	14	2.21	1.369	.366	1.42	3.00	1	4
Total	221	2.13	1.305	.088	1.95	2.30	1	5

ANOVA					
Salaried people are paying more income Tax than businessmen.					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.294	4	2.573	1.526	.196
Within Groups	364.159	216	1.686		
Total	374.452	220			

INFERENCE

Since p value is greater than 0.05 at 5 percent level of significance we accept the null hypothesis and reject the alternative hypothesis. Hence there is no significant difference between the objective factor of investment and salaried employee paying more tax than businessmen.

4.22 CHI SQUARE

A chi-square statistic is a test that measures how expectations compare to actual observed data. The data used in calculating a chi-square statistic must be random, raw, mutually exclusive, draw from independent variables, and drawn from a large enough sample.

MEASURES THE SIGNIFICANT INFLUENCE BETWEEN INCOME BECOMES TAXABLE AND AWARENESS OF TAX DEDUCTION EXEMPTED

Hypothesis

Null Hypothesis (H0) – There is no significance difference between income becomes taxable and awareness of tax deduction exempted

Alternative Hypothesis (H1) – There is no significance difference between income becomes taxable and awareness of tax deduction exempted

Table 4.22: Table showing the associate between income becomes taxable and awareness of tax deduction exempted

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income becomes taxable	221	99.5%	1	0.5%	222	100.0%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	46.099 ^a	3	.000
Likelihood Ratio	52.249	3	.000
Linear-by-Linear Association	.200	1	.655
N of Valid Cases	221		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.08.			

INFERENCE

As the value pearson Chi-square (.000) lesser than 0.05 H_0 is rejected and hence proved there is significant relationship between income becomes taxable and awareness of tax deduction exempted.

5. FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- Majority (43%) of the respondents are fall in the age category of 36-45 years
- Majority (54.3%) of the respondents are male.
- Majority is (58%) of the respondents are engineering.
- Majority (44.3%) of earning income Between Rs 5 Lakh to Rs. 7.5 Lakh
- Majority (52%) of the respondents are saving less than 20% of monthly salary.
- Majority (39.4%) of the respondents Repays loan in less than 20%.
- Majority (27.1%) of the respondents are selected neither agree or disagree in investing the factors.
- Majority (58%) of the respondents are not tax planning at the beginning of every year.
- Majority (56.4%) of the respondents are pays tax separately.
- Majority (59.7%) of the respondents are marked as Higher expect taxable income will be higher in 2026 respectively.
- Majority (43.6%) of the respondents do not have an emergency fund.
- Majority (35.3%) of the respondents marked as income from salary in heads of income become taxable.
- Majority (403%) of the respondents approached tax planning to estimate all incomes during the year, plan investments availing maximum tax benefits.
- Majority (46.6%) of respondents are slightly satisfied by their strategies in satisfaction of current tax planning strategies.
- Majority (61.5%) of respondents are utilizing income tax benefits.

- Majority (58.4%) of respondents are aware of deduction exempted.
- Majority (29.4%) of respondents applying for Medical insurance premium.
- Majority (28.68%) of respondents are highly investing in all the instruments of tax savings.

Findings of T-Test,

There is no significant difference between satisfaction with current tax planning strategies and income tax deduction benefits.

Findings of Correlation,

There is a significant relationship between Income Earnings and Salary savings from financial planning and tax savings

Findings of ANNOVA,

There is no significant between objective factor of investment and salaried employee paying more tax than businessmen. We accept the null hypothesis and reject the alternative hypothesis.

Findings of chi-Square,

There is significant between income becomes taxable and awareness of tax deduction exempted

5.3 SUGGESTION

- Financial planning for salaried employee is not just a driven process, it is actually a basic need for every individual and his/her family. It is a complete cycle starting from monthly budget to retirement planning. The process comprises Budgeting, Insurance, Goal-Based Investments, Getting out of Debt, and Retirement. If you miss any of these steps, the cycle will be incomplete.
- Identify what you needs, wants and savings.
- Equity – Linked Savings schemes, Long – Term Capital Gains from Sale of Long – Term Assets, Agricultural Income, Public Provident Fund, Educational loans, Educational scholars, Voluntary donations, Home

loans, Interest Income on Savings Account, HUF Receipts, Unit-Linked Insurance Plan these are all some of the tax savings strategies for salaried employees.

- Important note: Not all tax savers are the same in terms of asset – class, so one should choose to use the instrument that best suits their individual needs. The safety, Liquidity and returns of the tax savings instrument should be taken consideration. No financial decisions should be made based on the returns to be gained. Your goal is not only to save on taxes, but also to achieve different goals you have set for yourself. Hence, one should always have clear-cut objectives and should link their tax instruments to the desired goal.

5.3 CONCLUSION

The project has done on the financial planning for salaried employee and strategies for tax savings in Chennai. The financial planning and tax savings is based on the information provided by the employees. Financial planning reduces not only the tax burden but also gives mental satisfaction. Chapter 2 reveals the literature and discusses a proposed conceptual framework for the research. The objective of this study have been defined, to understand the present status of financial planning and tax savings of salaried employees and to evaluate the suggestions of financial planning and tax savings has been discussed. The research design and the methods of data collection have been outlined in chapter 3. The study concludes that, salaried employee want to know their tax obligation in the right perspective and measures of financial planning available to them so that they can make the best use of their earnings by reducing the incidence of tax. Thus, Financial Planning is not at all complicated and could be done with a certain degree of awareness and application.

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