



Employer's Guide to Processing POI

Learn when & how to process proof of investments with ease using Zoho Payroll.



Proof of Investment

What is a Proof of Investment?

Employees can reduce their taxable income by investing in a few investment options provided by the Government. If employees have made such investments, they will declare it in their IT Declaration. At the end of the fiscal year, they will be required to submit proofs for their investments. The organisation will process these proofs of investments, calculate the employees' tax accordingly and submit the tax levied to the Government.

Pro-tip: It is recommended that employers process the proof of investments in multiple phases starting from December or January. Employers can start considering the investment sums for income tax from the month of January to distribute the tax burden on employees. This will also make processing investment proofs easier, especially when an organization has more than 50 employees.

When is the ideal time to enable the investment proof submission?

Employees can reduce their taxable income by investing in a few investment options provided by the Government. If employees have made such investments, they will declare it in their IT Declaration. At the end of the fiscal year, they will be required to submit proofs for their investments. The organisation will process these proofs of investments, calculate the employees' tax accordingly and submit the tax levied to the Government.

Enabling Proof of Investments submission in Zoho Payroll

You can enable Proof of Investments submission by following the below steps:

- Go to **Settings > Preferences**.
- Go to the **IT Declaration & POI Submission** tab.
- Enable the **Proof of Investments submission** option.
- Select the date on which the POI submission should be locked.

Select the month from which the payroll should be processed with the approved amount.

Note: Income tax will be processed based on the investment amounts from the selected POI processing month.

- Click **Save**.

Preferences

[FBP & Reimbursement Claim](#)

[IT Declaration & POI Submission](#)

Income Tax Declaration

Employees can declare their tax saving investments and expense details through the employee portal once you enable this option.

POI Submission

Employees can submit the necessary supporting documents for their declared investments once you enable this option .

Allow employees to submit POI through the employee portal and lock on the selected date

31/01/2020

Employees can submit their Proof of Investments anytime between **07/01/2020** and **31/01/2020** to validate their investments declared earlier.

MANAGE ALERTS FOR EMPLOYEES

- Notify when POI Submission is RELEASED
- Notify when POI Submission is LOCKED

Process payroll with approved POI amount from

The approved POI amount will be considered for the payroll from **March** onwards to calculate and deduct income tax amount in subsequent payrolls.

March

for upcoming years.

Save

Once you click Save, the following automated mail will be sent to all the employees who have portal access.

Hello Himesh Deol,

Greetings from Zylker

It's time to submit the proofs for the investments you had declared for the financial year (**01 Apr 2019 - 31 Mar 2020**).

To submit POI,

- Log in to your employee portal
- Navigate to Investments module
- Select the POI tab.
- Attach the proofs separately under each section

[Submit POI](#)

The last day to submit your POI is on **31 Jan 2020**

Regards,
Nagma Balay
Zylker

Note: This is an automated mailer and it cannot be edited.

Apart from this, you can selectively enable Proof of Investment for employees.

- Go to the **Employees** module.
- Select the employees for whom you want to enable proof submission.
- Click **More**.
- Select **Release Proof of Investments**.

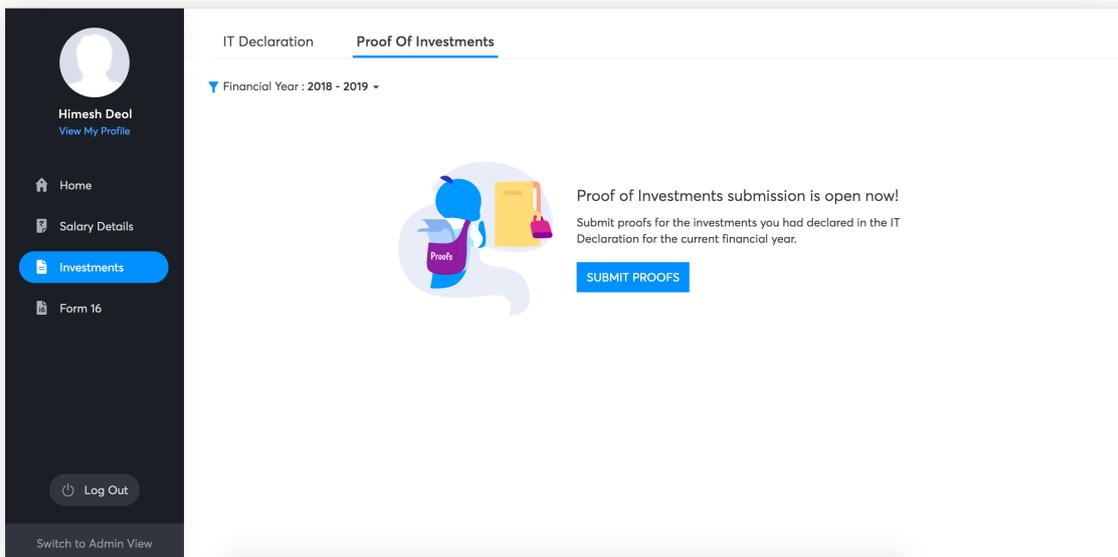
3 Employees Selected | Enable Portal | Disable Portal | More ▾

EMPLOYEE NAME	WORKING STATUS	DEPARTMENT	COST TO COMPANY
<input checked="" type="checkbox"/> Eduardo Vargas - 123 Admin	<input type="checkbox"/>	Management	₹5,00,000.00 per year
<input checked="" type="checkbox"/> Nupur Krishnan - 231 Admin	<input type="checkbox"/>	Management	₹12,00,000.00 per year
<input checked="" type="checkbox"/> Tarun K - 56 Admin	<input type="checkbox"/>	Management	₹5,00,000.00 per year
<input type="checkbox"/> Himesh Deol - 234 Developer	<input type="checkbox"/>	Tech	₹2,34,000.00 per year

More ▾

- Release FBP Declaration
- Lock FBP Declaration
- Release IT Declaration
- Lock IT Declaration
- Release Proof Of Investments**
- Lock Proof Of Investments

Employees will now be able to submit their proofs from their portals.



If the employees do not have access to their portals, employers can submit the proofs on behalf of the employee in the Employees module.

Insight: Pre-tax Deductions (VPF, NSC, etc.) will be considered for tax calculation automatically. No proof is required for this.

Submitting proofs on behalf of the employees

You can submit the proof of investments on behalf of your employees. To do this,

- Navigate to the **Employees** module from the left sidebar.
- Select the employee for whom you want to submit the proof of investments.
- Navigate to the **Investments** tab.
- Under the Investments tab, move to the **Proof of Investments** section.
- Click **Submit Proofs**.
- Enter the actual amount invested in each investment that the employee had declared.
- You can add new investments, if needed.
- Click **Save and Compare**.

New Proof of Investment

Particulars	Declared Amount	Actual Amount
Note : Declare the mediclaim insurance policies for yourself, spouse, children and parents. The maximum tax saving investment you can make under 80D is ₹1,00,000.00		
Select an Investment	₹ 0.00	₹ 0.00
+ Add Investment		
Other Investments		
Note : Declare investments such as Voluntary NPS, Interest Paid on Education Loan and Medical Expenditures under this section		
Rajiv Gandhi Equity Saving Scheme	₹ 0.00	₹ 21000.00
Max Limit : ₹25,000.00		
+ Add Investment		
Other Sources of Income		
Other Allowance Details		
i Click Compute Tax, to calculate the Total Tax Liability based on the above declaration		Compute Tax
Save and Compare	Cancel	

PARTICULARS	DECLARED AMOUNT	ACTUAL AMOUNT
80C Investments		
Note: This section contains the list of investments including LIC schemes, mutual funds and PPF. The maximum limit for this section is ₹ 1,50,000.00		
Employee Provident Fund	₹40,000.00	₹ 40000.00
Public Provident Fund	₹ 0.00	₹ 100000.00
+ Add an Investment		

You will be redirected to the Tax Comparison page. Here, you can opt for either the new regime or the old regime.

- Once you've selected the desired regime, click **Save**.
- In the summary page, click the **Attach icon** to attach the proofs.
- Add comments, if needed.
- Review all the details and click **Submit**.

Himesh Deol EMP. ID: 8423

Overview Salary Details **Investments** Payslips & Forms Loans

IT Declaration **Proof Of Investments** Period : 2020 - 2021

Proof Of Investments

Tax Regime : Old Tax Regime (Change Tax Regime)

PARTICULARS	DECLARED AMOUNT	PROOFS	COMMENTS	ACTUAL AMOUNT
House Rent Paid Details				
Apr 2020 - Dec 2020	₹1,08,000.00 (₹12,000.00 / month)			₹1,08,000.00 (₹12,000.00 / month)
City Heights				
PAN: DFGHJ6564E • Metro				

Submit

If you want to change the tax regime, you can do so before running the first payroll for the financial year. Select **Change Tax Regime** and click **Save** after choosing the desired regime. Once this is done, click **Submit**.

Note: You can view the tax liability in each tax regime using the Compute Tax option at the bottom of the page

[Himesh Deol](#) EMP. ID: 8423 Add Deduction ▾ ⋮

[Overview](#) [Salary Details](#) [Investments](#) [Payslips & Forms](#) [Loans](#)

IT Declaration **Proof Of Investments** Period : 2020 - 2021 ▾

Proof Of Investments ✎

i Tax Regime : Old Tax Regime ([Change Tax Regime](#))

PARTICULARS	DECLARED AMOUNT	PROOFS	COMMENTS	ACTUAL AMOUNT
House Rent Paid Details				
Apr 2020 - Dec 2020	₹1,08,000.00 (₹12,000.00 / month)	📎	+	₹1,08,000.00 (₹12,000.00 / month)
City Heights				
PAN: DFGHJ6564E · Metro				

[Submit](#)

Reviewing and Approving the Proof of Investments

Once your employees submit the proofs, you need to either approve or reject them. To do this,

- Go to **Approvals > Proof of Investments**.

ZOHIO Payroll

- [Home](#)
- [Employees](#)
- [Pay Runs](#)
- [Approvals](#)
- [Reimbursements](#)
- [Proof Of Investments](#)
- [Salary Revision](#)
- [Form 16](#)
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Search Employee

Welcome Nagma Balay!

Process Pay Run for August 2019 DRAFT

EMPLOYEES' NET PAY ₹3,20,605.00	PAYMENT DATE 30/08/2019	NO. OF EMPLOYEES 8	View Details
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ⓘ This payment is overdue by 130 day(s).

Deduction Summary Previous Month ▾

🔗 EPF -	🛡️ ESI -	% TDS DEDUCTION -
View Details	View Details	View Details

Employee Summary

ACTIVE EMPLOYEES

8

[View Employees](#)

- Select the employee for whom you want to review the Proof of Investments.
- Review the investment proofs and enter the actual approved amount and select **Approve**.
- If there is any discrepancy, select **Reject** from the drop down menu. Enter a reason as to why the proof has been rejected.

Himesh Deol's Investment Proofs **APPROVAL PENDING** Consider for IT ✕

DECLARATION TYPE	ACTUAL AMOUNT	PROOF	COMMENTS	APPROVED AMOUNT	ACTIONS
House Rent Paid Details					
Declared Amount : ₹ 8,300.00 Approved Amount : ₹ 8,300.00					
Apr 2019 - Mar 2020 View Address	₹8,300.00	-		8300	Approve ⌵ Reject
80C Investments					
Declared Amount : ₹ 50,000.00 Approved Amount : ₹ 50,000.00					
Life Insurance Premium	₹50,000.00	-		₹50,000.00	Approved ⌵

Once you have reviewed all the proofs, click **Consider for IT**. The approved amounts will be considered for income tax calculation for that financial year.

Himesh Deol Investment Proofs **YET TO BE CONFIRMED**

Complete the POI Approval Process
 You have reviewed all the investment proofs submitted by this employee. Click 'Confirm POI for IT Calculation' to include these investments in Income Tax calculations and complete the POI approval process.

[Confirm POI for IT Calculation](#)

DECLARATION TYPE	ACTUAL AMOUNT	PROOF	COMMENTS	APPROVED AMOUNT	ACTIONS
House Rent Paid Details Declared Amount : ₹ 36,110.00 Approved Amount : ₹ 22,000.00					
Jan 2020 - Mar 2020 View Address	₹25,000.00	1	13	₹12,000.00 ✎	Approved ⌵
Aug 2019 - Dec 2019 View Address	₹11,110.00	-	2	₹10,000.00 ✎	Approved ⌵

There is also an option to approve all the proofs in one go by clicking **Approve All & Consider for IT** in the dropdown menu.

Himesh Deol's Investment Proofs **APPROVAL PENDING**

[Consider for IT](#) [⌵](#)

[Approve All & Consider for IT](#)

DECLARATION TYPE	ACTUAL AMOUNT	PROOF	COMMENTS	APPROVED AMOUNT	ACTIONS
House Rent Paid Details Declared Amount : ₹ 8,300.00 Approved Amount : ₹ 8,300.00					
Apr 2019 - Mar 2020 View Address	₹8,300.00	-	1	8300 ⌵	Approve ⌵
80C Investments Declared Amount : ₹ 50,000.00 Approved Amount : ₹ 50,000.00					
Life Insurance Premium	₹50,000.00	-	+	₹50,000.00 ✎	Approved ⌵

Once the investment declarations are made in the Investments module (either in IT Declaration or in POI), the changes have to be applied in the pay runs module in case the pay run is in draft state. Alternatively, the pay run can be deleted and rerun.

Note: Changes made in the investment declaration after the amount is approved will not be taken into account for tax calculation.

FAQ

What is Proof of Investment?

Towards the end of the financial year, employees are required to submit the proofs of their actual investments and expenses to corroborate their IT declaration. Employers or approvers will process these proofs and calculate tax accordingly.

Does Zoho Payroll support computing taxes according to the New Tax Regime?

Yes, employees can choose between the new and the old tax regimes and declare investments to compute tax accordingly in Zoho Payroll.

Is there an option to view tax liability before submitting investment declarations?

Yes, you can view the total tax liable according to both the regimes. Enter the investment declarations and click **Submit and Compare**. You will be redirected to the tax comparison page wherein tax liable under the two regimes will be displayed.

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Yes, you can view the total tax liable according to both the regimes. Enter the investment declarations and click Submit and Compare. You will be redirected to the tax comparison page wherein tax liable under the two regimes will be displayed.

Can I switch between tax regimes in the middle of the fiscal year?

Yes, you can switch between tax regimes and modify investments as long as

- The first payroll for the financial year is completed
- IT Declaration submission is not locked
- POI is not processed

Can I attach all the proofs at one go?

For a single investment (say, three LIC policies under section 80C), you can compress all the proofs and upload it at once. However, for multiple investments, you cannot upload the proofs in a single file.

Can I collect proofs in multiple phases or can it be done only once?

You can collect proofs in multiple phases.

You can release the POI collection in a particular month and close it after two or three weeks, and process it for tax calculation.

The next phase can begin in the following month after you enable POI submission.

Can the declaration be changed after proof of investment is submitted?

Yes, the IT declaration can be changed after POI submission, provided the IT Declaration is unlocked. However, it will not have any effect on the proof of investment or the income tax calculation once the POI processing month starts.

Note: POI (reviewed or in awaiting approval state) will be considered for calculation from the start of the POI processing month.

Should I approve the proof of investments even though I submit it directly from the admin portal?

Yes, once you submit the investment proofs, you need to either approve or reject them. To do this,

- Go to **Approvals > Proof of Investments**.
- Select the employee for whom you want to review the Proof of Investments.
- Review the investment proofs and enter the actual approved amount and select **Approve**.
- If there is any discrepancy, select **Reject** from the dropdown menu. Enter a reason for rejecting the proof.

The screenshot shows a user interface for reviewing investment proofs. At the top, it says 'Himesh Deol's Investment Proofs' with a status 'APPROVAL PENDING' and a 'Consider for IT' button. Below is a table with columns: DECLARATION TYPE, ACTUAL AMOUNT, PROOF, COMMENTS, APPROVED AMOUNT, and ACTIONS.

DECLARATION TYPE	ACTUAL AMOUNT	PROOF	COMMENTS	APPROVED AMOUNT	ACTIONS
House Rent Paid Details Declared Amount : ₹ 8,300.00 Approved Amount : ₹ 8,300.00					
Apr 2019 - Mar 2020 View Address	₹8,300.00	-		8300	Approve (dropdown menu open showing Reject)
80C Investments Declared Amount : ₹ 50,000.00 Approved Amount : ₹ 50,000.00					
Life Insurance Premium	₹50,000.00	-		₹50,000.00	Approved

- Once you have reviewed all the proofs, select **Consider for IT**.

How do I reject an investment proof?

While reviewing the proof of investments, If there is any discrepancy in the attached proof, you can reject it. To reject:

- Go to **Approvals > Proof of Investments**.
- Select the employee for whom you want to review the proof of investments.
- Select the investment proof you want to reject.
- Click the dropdown menu next to the Approve option and select **Reject**.
Enter a reason for rejecting the proof.

Himesh Deol's Investment Proofs **APPROVAL PENDING** Consider for IT X

DECLARATION TYPE	ACTUAL AMOUNT	PROOF	COMMENTS	APPROVED AMOUNT	ACTIONS
House Rent Paid Details Declared Amount : ₹ 8,300.00 Approved Amount : ₹ 8,300.00					
Apr 2019 - Mar 2020 View Address	₹8,300.00	-		8300	Approve Reject
80C Investments Declared Amount : ₹ 50,000.00 Approved Amount : ₹ 50,000.00					
Life Insurance Premium	₹50,000.00	-		₹50,000.00	Approved

Can Income Tax be edited or overridden after POI is submitted?

No, income tax cannot be overridden once the investment proofs are processed and approved.

Can the POI lock be released after the date is barred?

Yes, POI can be enabled each month or after the date is barred.

- Go to **Settings > Preferences > IT Declaration & POI Submission**.
- Toggle the **IT Declaration and POI Submission** button.
- Set a deadline for POI submission.
- Click **Save**.

Preferences

[FBP & Reimbursement Claim](#) [IT Declaration & POI Submission](#)

Income Tax Declaration

Employees can declare their tax saving investments and expense details through the employee portal once you enable this option.

POI Submission

Employees can submit the necessary supporting documents for their declared investments once you enable this option.

Allow employees to submit POI through the employee portal and lock on the selected date

Employees can submit their Proof of Investments anytime between **07/01/2020** and **31/01/2020** to validate their investments declared earlier.

MANAGE ALERTS FOR EMPLOYEES

- Notify when POI Submission is RELEASED
- Notify when POI Submission is LOCKED

Process payroll with approved POI amount from for upcoming years.

The approved POI amount will be considered for the payroll from **March** onwards to calculate and deduct income tax amount in subsequent payrolls.

Can I selectively release the POI lock for certain employees after the date is barred?

Yes, POI submission can be enabled for employees selectively.

- Go to the **Employees** module.
- Select the employees for whom you want to enable proof submission.
- Click **More**.
- Select **Release Proof of Investments**.

Preferences

[FBP & Reimbursement Claim](#) [IT Declaration & POI Submission](#)

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MANAGE ALERTS FOR EMPLOYEES

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Process payroll with approved POI amount from

The approved POI amount will be considered for the payroll from **March** onwards to calculate and deduct income tax amount in subsequent payrolls. for upcoming years.

Should I add EPF and VPF details in the Proof of Investment module and submit proofs separately?

No. Employee Provident Fund (EPF) and Voluntary Provident Fund (VPF) will be accounted for automatically in the tax calculation. There is no need to submit proof for this.

Do I have to add the upper limit for investments under each section while enabling proof of investments submission?

No, Zoho Payroll displays the investment limit for each section in the Proof of Investments tab.

What is Declared amount, Approved amount and Actual amount?

The amount specified in the IT Declaration is considered as the **Declared amount**.

The amount for which the proof is available is the **Actual amount**.

The amount which is validated by the payroll admin is the **Approved amount**. The Approved amount will be considered for tax calculation once the POI processing month starts.