

A STUDY ON THE TAX PLANNING STRATEGIES OF SALARIED EMPLOYEES IN PRIVATE UNIVERSITIES IN HYDERABAD

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ABSTRACT

Tax planning is an important part of personal financial management for salaried employees because it supports lawful tax reduction, systematic savings, investment discipline, and long-term financial security. This study examines tax planning strategies among salaried employees working in private universities in Hyderabad. It focuses on awareness of tax-saving provisions, investment preferences, factors influencing tax planning decisions, use of deductions and exemptions, and financial management practices. Primary data were collected from 100 respondents through a structured questionnaire and analysed using percentage analysis. Findings indicate good awareness, preference for provident fund investments, and positive perceptions of effective tax planning for financial management.

Keywords: Tax Planning; Salaried Employees; Financial Literacy; Tax-Saving Investments; Private Universities

1. INTRODUCTION

Tax planning is an important component of personal financial management because income tax directly influences the disposable income, savings capacity, investment behaviour, and financial security of salaried employees. It involves arranging financial affairs in a lawful and systematic manner so that eligible deductions, exemptions, rebates, and investment opportunities can be used effectively. Tax planning is different from tax evasion because it operates within taxation law and encourages responsible financial behaviour. Salaried employees in private universities receive income through basic salary, allowances, incentives, and employment-related payments. Understanding the tax treatment of these components can help employees make better financial decisions. Tax-saving instruments such as Public Provident Fund, Employees' Provident Fund, Equity Linked Savings Scheme, National Pension System, insurance products, health insurance, and housing-related benefits may support tax efficiency and financial objectives. Employees can also consider retirement planning, children's education, healthcare, home ownership, and wealth creation while making investment decisions. The choice between available tax regimes has increased the importance of financial awareness. Employees need to compare tax rates, deductions, exemptions, investment commitments, income levels, and personal objectives before selecting an appropriate approach. Frequent changes in taxation provisions can create difficulties for employees who do not regularly update their knowledge. Lack of awareness may result in missed deductions, unsuitable investments, inadequate records or filing difficulties. Digital technology has changed tax planning and compliance. Online filing facilities, electronic verification, digital records, tax calculators, investment platforms, and mobile applications enable employees to obtain information, compare alternatives, calculate liabilities, and complete tax procedures conveniently. Employers can support employees through salary structuring, tax declarations, timely deductions, and guidance from finance or human resource departments. Hyderabad has a substantial higher-education sector with teaching and non-teaching personnel employed in private universities. Their tax planning behaviour provides a useful context for examining financial literacy, investment preferences, deduction utilisation,

and tax-saving practices. The present study analyses the tax planning strategies of salaried employees in private universities in Hyderabad, with emphasis on awareness, investment choices, financial planning, and taxation challenges. The study is expected to support improved financial literacy, systematic investment behaviour, legal compliance, and long-term personal financial management among salaried employees.

2. REVIEW OF LITERATURE

Tax planning has been examined in relation to financial literacy, investment behaviour, tax compliance, salary structure, digital services, and personal financial management. Sharma and Gupta (2019) reported that financially literate employees use tax-saving provisions more effectively. Kumar and Verma (2020) identified provident funds, insurance, equity-linked savings plans, and tax-saving deposits as important choices influenced by safety and returns. Reddy and Rao (2020) observed limited knowledge of deductions and exemptions and recommended financial literacy programmes. Singh and Mehta (2021) associated financial literacy with systematic investment, while Patel and Shah (2021) highlighted salary structuring. Nair and Joseph (2022) found that digital platforms simplify tax planning and compliance. Chandra and Arora (2023) linked regular tax planning with savings. Gupta and Ramesh (2023) emphasized comparison of tax regimes. Prasad and Kiran (2024) stressed employer support and financial education, while Malhotra and Jain (2024) highlighted continuing knowledge updates amid changing taxation policies. These studies indicate that financial literacy, investment awareness, salary structure, employer assistance, and digital services influence tax planning quality. The literature also shows limited attention to teaching and non-teaching staff of private universities in Hyderabad. This study addresses this context by examining awareness, investment preferences, deduction utilisation, and tax planning challenges.

3. OBJECTIVES OF THE STUDY

1. To research the tax planning techniques used by salaried employees at private universities in Hyderabad.
2. To assess salaried employees' knowledge of investment possibilities and tax-saving measures.
3. To examine the factors influencing salaried employees' investment and tax planning choices.
4. To assess the utilisation of deductions, exemptions, and tax-saving measures under the Income Tax Act.
5. To recommend appropriate actions for raising salaried employees' awareness of tax planning and financial management.

4. RESEARCH METHODOLOGY

The study uses a descriptive research design to examine tax planning strategies among salaried employees in private universities in Hyderabad. Primary data were collected through a structured questionnaire from 100 respondents selected using convenience sampling. Secondary information was obtained from taxation literature, government publications, journals, books, and reliable financial sources.

4.1. STATISTICAL TOOL

Percentage Analysis-Percentage analysis is the appropriate statistical tool for this study because the collected responses are categorical and the sample consists of **100 respondents**. The original study specifically uses the straightforward percentage approach and presents the results through tables for interpretation.

Formula: Percentage = (Number of Respondents / Total Number of Respondents) × 100

This tool helps determine the proportion of respondents having different levels of awareness, investment preferences, and opinions about tax planning.

5. DATA ANALYSIS AND INTERPRETATION

Table 1: Tax Planning Awareness

Objective Covered: To assess salaried employees' knowledge and awareness of tax planning.

Response	Respondents	Percentage (%)
Very High	30	30%
High	40	40%
Moderate	15	15%
Low	10	10%
Very Low	5	5%
Total	100	100%

Interpretation

The table shows that **30%** of respondents have very high awareness and **40%** have high awareness of tax planning. Therefore, **70%** of respondents demonstrate high or very high awareness. Only 15% report moderate awareness, while 15% have low or very low awareness. The findings indicate that the majority of respondents possess a good understanding of tax planning.

Table 2: Tax-Saving Investment Preference

Objective Covered: To examine investment choices and tax-saving preferences of salaried employees.

Investment Option	Respondents	Percentage (%)
PPF	32	32%
EPF	30	30%
ELSS	18	18%
NPS	12	12%
Others	8	8%
Total	100	100%

Interpretation

The table reveals that **PPF is the most preferred tax-saving investment, selected by 32% of respondents**, followed by **EPF at 30%**. ELSS accounts for 18%, NPS represents 12%, and other alternatives account for 8%. Thus, provident-fund-based investments are the most popular choices among the respondents.

Table 3: Tax Planning Enhances Financial Management

Objective Covered: To examine the relationship between tax planning and personal financial management.

Response	Respondents	Percentage (%)
Strongly Agree	34	34%
Agree	38	38%
Neutral	12	12%
Disagree	10	10%
Strongly Disagree	6	6%
Total	100	100%

Interpretation

The results indicate that **34% strongly agree** and **38% agree** that tax planning enhances financial management. Hence, **72% of respondents** have a positive perception of the contribution of tax planning to financial management. The result supports the importance of systematic tax planning in improving financial decision-making and financial discipline.

6. RESULTS

1. The study finds that the majority of respondents possess **good awareness of tax planning**.
2. **70% of respondents** report high or very high awareness of tax planning.
3. **PPF is the most preferred tax-saving investment**, accounting for 32% of respondents.
4. **EPF is the second most preferred investment**, selected by 30% of respondents.
5. ELSS and NPS are also used by respondents, although their preferences are lower than PPF and EPF.
6. The study indicates that employees consider tax-saving investments as part of their broader financial planning.
7. A majority of respondents believe that effective tax planning contributes positively to financial management.
8. **72% of respondents** either agree or strongly agree that tax planning enhances financial management.
9. Financial literacy is an important factor influencing tax planning and investment decisions.
10. The availability of different tax-saving instruments provides employees with opportunities to combine tax efficiency with savings and long-term financial goals.
11. Digital financial services and online tax facilities can make tax planning and compliance more convenient.
12. The study indicates the need for continuous awareness because taxation provisions, investment choices, and tax regimes can change over time.

7. SUGGESTIONS

1. **Private universities should organise regular tax-awareness programmes** for teaching and non-teaching employees.
2. Employees should be encouraged to update their knowledge regarding **tax deductions, exemptions, investment provisions, and applicable tax regimes**.
3. Universities should provide employees with timely guidance regarding salary declarations, eligible investments, and tax documentation.
4. Employees should evaluate tax-saving investments according to their **income, risk tolerance, liquidity requirements, and long-term financial objectives**.
5. Greater awareness should be created about alternatives such as **PPF, EPF, ELSS, NPS, insurance, and other eligible tax-saving instruments**.
6. Employees should maintain proper records of investments, deductions, insurance premiums, and other relevant financial documents.
7. Digital tax-filing platforms, tax calculators, and online financial tools should be used effectively for tax planning and compliance.
8. Employees should compare the applicable tax regimes before making tax-planning decisions rather than selecting an option without considering their individual financial position.
9. Financial literacy workshops should be conducted periodically to improve employees' understanding of personal taxation and investment planning.
10. Employees may seek professional guidance from qualified tax professionals or financial advisors when their income structure or financial circumstances are complex.
11. Universities' finance and human-resource departments should strengthen employee support for tax declarations and compliance.
12. Tax planning should be integrated with **retirement planning, insurance planning, investment planning, and long-term wealth creation**, rather than being treated only as a method of reducing current tax liability.

8. CONCLUSION

Tax planning has become an important component of financial management for salaried employees because it can support lawful tax efficiency, systematic savings, investment discipline, and long-term financial security. The present study of salaried employees in private universities in Hyderabad indicates that respondents generally possess good awareness of tax planning and tax-saving provisions. The analysis shows that PPF and EPF are the most preferred tax-saving investment options among the respondents, while ELSS and NPS also receive consideration. The findings further indicate that employees generally perceive tax planning as beneficial to financial management. However, continuous financial education remains important because taxation provisions, investment opportunities, digital systems, and available tax regimes may change. Employees should therefore regularly update their knowledge, maintain proper financial records, evaluate suitable investment alternatives, and make tax decisions according to their individual financial objectives. Universities can contribute by providing awareness programmes, timely guidance, and support through finance and human-resource departments. Overall, effective tax planning should be viewed not merely as a mechanism for reducing tax liability but as an integral part of personal financial planning that supports disciplined investment, compliance, financial stability, and long-term wealth creation.

9. REFERENCES

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