



Income Tax Department

Government of India

Allowances available to armed forces [[Section 10\(14\)](#) r.w.r. 2BB]

Personnel of the Armed forces is allowed various allowances for working in risky, uncongenial, and difficult situations. These allowances are generally fixed and don't depend on the actual expenditure incurred by the personnel. The Income-tax Act allows a full exemption for these allowances up to a certain limit, which is explained below.

S. No.	Section	Particulars	Exemption limit	Exemption available to
1.	Section 10(14)	Special Compensatory Allowance (Hilly Areas) (Subject to certain conditions and locations)	Varies from Rs. 300 per month to Rs. 7,000 per month.	Individual - Salaried employee
2.	Section 10(14)	Border Area Allowance, or Remote Locality Allowance, or Disturbed Area Allowance, or Difficult Area Allowance (Subject to certain conditions and locations)	Varies from Rs. 200 per month to Rs. 1,300 per month.	Individual - Salaried employee
3.	Section 10(14)	Tribal Area or Special Compensatory or Scheduled Area or Agency Area Allowance (Subject to certain locations)	Up to Rs. 200 per month	Individual - Salaried employee
4.	Section 10(14)	Compensatory Field Area Allowance. (Subject to certain conditions and locations)	Up to Rs. 2,600 per month	Individual - Salaried employee
5.	Section 10(14)	Compensatory Modified Field Area Allowance. (Subject to certain conditions and locations)	Up to Rs. 1,000 per month	Individual - Salaried employee
6.	Section 10(14)	Counter Insurgency Allowance granted to the members of armed forces operating in areas away from their permanent locations.	Up to Rs. 3,900 per month	Individual - Members of the Armed Forces
7.	Section 10(14)	Underground Allowance granted to employees working in uncongenial, unnatural climates in underground mines	Up to Rs. 800 per month	Individual - Salaried employee
8.	Section 10(14)	High Altitude Allowance granted to the armed forces operating in high altitude areas	a) Up to Rs. 1,060 per month (for an altitude of 9,000 to 15,000 feet) b) Up to Rs. 1,600 per month (for an altitude above 15,000 feet)	Individual - Members of the Armed Forces
9.	Section 10(14)	Special Compensatory Highly Active Field Area Allowance granted to members of the armed forces	Up to Rs. 4,200 per month	Individual - Members of the Armed Forces
10.	Section 10(14)	Island Duty Allowance granted to members of the armed forces in Andaman and Nicobar and Lakshadweep group of Island	Up to Rs. 3,250 per month	Individual - Members of the Armed Forces