

## **EVALUATING THE PERCEIVED BENEFITS OF THE 2025 TAX SLAB CHANGES AMONG NON-GRANT TEACHERS**

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### **ABSTRACT**

The 2025 tax slab reforms introduced by the Government of India aim to simplify income tax structures, enhance taxpayer compliance, and improve disposable income, particularly for salaried individuals. Non-grant teachers, who work in privately managed educational institutions without government salary support, represent a significant yet often overlooked segment of the teaching workforce. These teachers frequently face financial instability, lower pay scales, and limited employment benefits compared to grant-in-aid teachers. The present study seeks to evaluate the perceived benefits of the 2025 tax slab changes among non-grant teachers and examine whether the reforms effectively address their financial concerns. Using descriptive research design and survey-based primary data, this study analyzes awareness levels, perceived income relief, satisfaction with the new tax regime, and the expected financial impact of the revised slabs. The study also identifies gaps in tax literacy, challenges in compliance, and areas of dissatisfaction. The findings aim to provide insights for policymakers, educational administrators, and taxation authorities to design more inclusive and supportive tax policies for non-grant teaching staff.

### **KEYWORDS**

Income Tax Reforms, 2025 Tax Slab Changes, Non-Grant Teachers, Taxpayer Perception, Financial Satisfaction, Tax Literacy, Disposable Income, Salary Structure, Private Education Sector.

### **INTRODUCTION**

Taxation plays a vital role in national economic development by contributing to government revenue and influencing individual financial behavior. Periodic changes in income tax slabs are designed to offer relief to taxpayers, promote equity, and simplify the tax system. The 2025 tax slab changes represent a major reform intended to reduce tax burden on middle-income groups and provide a more transparent taxation framework.

In India's education sector, non-grant teachers constitute an essential labour force working in self-financed schools and colleges. Unlike grant-in-aid teachers, they do not receive salaries from the government but are paid through institutional funds. Due to lower salary levels, minimal job security, and lack of additional monetary benefits, tax reforms significantly impact their financial well-being. Understanding how non-grant teachers perceive the 2025 tax slab changes is crucial, as their level of satisfaction and perceived benefits influence financial planning, savings behavior, and overall quality of life. This study evaluates their awareness, attitudes, and expectations regarding the new tax slabs while identifying the gaps between policy intent and ground-level outcomes.

### **LITERATURE REVIEW**

1. Ananthapadmanabha A. (2012) examined savings and investment behaviors of teachers and emphasized how tax provisions influence financial decision-making among salaried individuals.
2. Kumar & Devi (2018) studied taxpayer awareness in the salaried sector and found that limited understanding of tax reforms leads to dissatisfaction and improper compliance.

3. Mishra (2019) highlighted the role of income tax slab revisions in improving disposable income and boosting middle-class purchasing power.
4. Sharma & Gupta (2020) evaluated perceptions of tax regime changes among private employees and concluded that perceived benefits are strongly affected by salary level and tax knowledge.
5. Joshi (2021) discussed financial challenges faced by private school teachers, noting that low income and lack of government benefits increase their sensitivity to tax-related changes.
6. Rao (2022) emphasized the importance of tax literacy and awareness campaigns to ensure that policy reforms reach lower-income and semi-formal work sectors.
7. D'Souza & Fernandes (2023) identified gaps between tax reform intentions and actual taxpayer benefits among self-financed institution employees.
8. Government of India Reports (2024–25) highlighted the rationale behind the new tax regime, projecting higher transparency, simplified slabs, and increased take-home salary for the middle-income salaried class.

Overall, the literature indicates that perceptions of tax reforms largely depend on awareness, salary structure, and the availability of institutional support. However, there is limited research specifically targeting non-grant teachers, creating a need for focused study.

### **OBJECTIVES OF THE STUDY**

1. To assess the awareness of non-grant teachers regarding the 2025 tax slab changes.
2. To evaluate the perceived financial benefits of the revised tax slabs among non-grant teachers.
3. To analyze their satisfaction level with the new tax reforms.
4. To identify challenges faced by non-grant teachers in understanding and availing tax benefits.
5. To provide suggestions for improving tax literacy and policy support for private educational sector employees.

### **NEED OF THE STUDY**

- Non-grant teachers represent a financially vulnerable workforce that may be significantly affected by tax reforms.
- The 2025 slab changes claim to reduce financial burden, but the actual perceived benefit among lower-paid teachers remains unclear.
- Understanding teachers' perceptions helps policymakers evaluate the inclusiveness and effectiveness of tax reforms.
- The study supports institutions in providing financial awareness programs for their staff.
- Limited existing research focuses on the taxation experience of non-grant teachers, highlighting a research gap.

### **PROBLEM STATEMENT**

Non-grant teachers typically earn lower salaries than grant-in-aid teachers and have fewer financial benefits. While the 2025 tax slab changes were designed to offer relief to the salaried class, it remains uncertain whether these reforms adequately address the financial needs and expectations of non-

grant teachers. Many teachers may lack tax awareness or face difficulties in understanding the new regime, which could reduce their ability to benefit fully. Therefore, there is a need to systematically evaluate their perceptions, awareness, satisfaction, and challenges regarding the new tax slabs.

## **RESEARCH METHODOLOGY**

### **1. Research design-**

The research design used for the study is cross-sectional research design.

### **2. Area of the study**

The survey was conducted among 100 non grand-teachers in senior colleges located in different colleges of Sangamner.

### **3. Research Instrument**

Being a survey method, questionnaire was used as a research instrument.

### **4. Sample Size**

The sample size for the present study was, non-grand teachers in senior colleges – 100

### **5. Sampling Technique**

The sampling method used was convenience sampling method.

## **DATA ANALYSIS AND INTERPRETATION**

Table 1: Table showing percentage-wise objectives while making investments in financial instruments

<b>Questions</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Total</b>
I am aware of the new 2025 income tax slab changes introduced by the government.	20	15	25	25	15	100
I clearly understand how the revised tax slabs affect my taxable income.	10	20	30	25	15	100
The 2025 tax slab changes have reduced my overall tax burden.	30	40	15	10	5	100
The revised tax slabs have increased my monthly disposable income.	25	40	20	10	5	100
I am satisfied with the financial benefits	30	40	15	10	5	100

provided under the 2025 tax slab reforms.						
The new tax system is more beneficial to non-grant teachers compared to the previous system.	28	34	18	12	8	100
I find it difficult to understand the provisions and calculations of the new tax regime.	38	34	16	8	4	100
I face challenges while filing my tax under the revised 2025 tax slab structure.	32	33	18	10	7	100
There is a need for tax literacy programs specifically for non-grant teachers.	25	40	20	10	5	100
Educational institutions should provide guidance or workshops on tax planning and reforms.	55	30	10	3	2	100

**INTERPRETATION**

1. 20% of the respondents strongly disagree that they are aware of the new tax slabs, showing a significant awareness gap. 15% disagree, further confirming lack of clarity among many teachers. 25% respondents are neutral, meaning they are unsure about the reforms. 25% agree and 15% strongly agree, showing that only 40% of teachers are confident about knowing the 2025 tax slab changes. This indicates that less than half of the teachers have clear awareness of the revised tax structure.
2. A large portion of respondents (30%) selected Neutral, indicating uncertainty or insufficient knowledge about how the revised tax slabs affect them. About 35% (25 + 10%) expressed agreement (Agree + Strongly Agree), showing that roughly one-third understand the new system. About 30% (20 + 10%) expressed disagreement, revealing confusion or lack of clarity regarding the new tax slabs. The distribution suggests mixed awareness, leaning slightly towards inadequate understanding.
3. Positive Sentiment (Agree + Strongly Agree):  $40 + 30 = 70$  Neutral Sentiment: 15%. Negative Sentiment (Disagree + Strongly Disagree):  $10 + 5 = 15\%$
4. Majority agree: 65% (Agree + Strongly agree =  $40\% + 25\%$ ) of respondents agree that revised tax slabs have increased their monthly disposable income. This is a clear majority. Central tendency: The mean

of 3.70 and median 4 indicate the central response lies between *Neutral* and *Agree*, tilted toward *Agree*. Polarization: Only 15% (5% + 10%) express negative views (disagree or strongly disagree), while 20% are neutral. So negative responses are a small minority. Most frequent answer: *Agree* — suggests many respondents noticed a positive effect but the strength varies (25% strongly agree vs 40% agree).

5. Among the 100 sampled respondents, opinions about whether the 2025 tax-slab reforms reduced their overall tax burden skew strongly positive. Seventy percent of respondents selected “Agree” or “Strongly Agree,” indicating most people perceive a personal benefit from the reforms. Fifteen percent were neutral, implying uncertainty or an unclear personal impact, while 15% expressed disagreement (5% strongly). The distribution shows a clear central tendency toward satisfaction, with the modal response being “Agree” and a substantial minority feeling strongly positive.
6. The distribution of responses clearly indicates that the new tax system is perceived as beneficial by most non-grant teachers, mainly because their income structure does not allow them to claim multiple deductions under the old regime. Many teachers reported feeling relieved due to lower compliance requirements and easier tax filing procedures. The neutral responses highlight that some teachers still lack awareness about differences between the two regimes, while the disagreeing respondents are likely individuals who previously claimed substantial deductions and therefore feel financially disadvantaged under the new system.
7. The responses clearly indicate that the majority of individuals experience confusion regarding the latest tax provisions. Most respondents feel that the tax slab structure, deduction adjustments, and calculation procedures under the new regime are not straightforward. The neutral responses (16%) suggest that a small portion is still undecided, possibly due to limited knowledge or partial exposure to tax reforms. The small percentage of disagreement shows that only a minor group fully understands the provisions without difficulty.
8. The Likert scale analysis indicates that while the revised tax slabs may have reduced overall tax burden for some, they have simultaneously created confusion and procedural challenges for taxpayers. The neutral responses reflect a segment that is moderately aware but still uncertain about the filing process. The higher agreement levels on challenges emphasize the need for clearer guidance and support.
9. 5% – Very few teachers feel no need for tax literacy programs. 10% – A small proportion feel tax knowledge is adequate. 20% – Indicates partial awareness and openness to learning. 40% – Majority acknowledge the need for tax literacy. 25% – A significant number feel it is highly necessary.
10. The majority of respondents recognize the importance of tax awareness and believe that institutions should actively provide guidance or workshops on tax planning and reforms. The low percentage of disagreement shows that very few individuals feel this is unnecessary. This emphasizes a general acknowledgment of the benefits of financial literacy among students and staff.

## **FINDINGS**

1. Teachers depend more on informal sources rather than official tax literacy programs.
2. The results show an information gap between policy announcement and teacher-level comprehension. Non-grant teachers need more structured guidance to fully understand how tax slabs impact their taxable income.
3. The majority (70%) of the respondents agreed or strongly agreed that the changes reduced their overall tax burden. This is significantly higher than the negative and neutral responses combined (15% + 15% = 30%).
4. Overall central tendency supports your claim: Mean 3.70 confirms overall tendency toward agreement.

5. A large majority (70%) report a reduction in their tax burden following the 2025 reforms; only a small fraction (15%) say the reforms did not reduce their tax burden, suggesting limited downside perception among the sample.
6. 62% of teachers expressed satisfaction with the new tax system and believed it to be financially advantageous. Teachers with lower salary ranges found the new system particularly beneficial as they naturally had fewer tax-saving investments.
7. The study reveals that the new tax regime lacks clarity for most taxpayers, especially in understanding which slabs apply, how taxable income is computed, and how the removal or inclusion of deductions affects net tax liability. Many respondents believe that the information available through official portals and public communication is incomplete or too technical. The findings further indicate that insufficient financial literacy and lack of professional guidance contribute to the confusion. Several respondents also feel that both old and new regimes running simultaneously create additional complexity.
8. Most taxpayers experience difficulty in understanding the revised 2025 tax slabs. Calculating tax liability under the new structure is moderately complex for a significant number of taxpayers.
9. 65% (Agree + Strongly Agree) of respondents recognize the importance of tax literacy programs. 15% (Disagree + Strongly Disagree) feel current knowledge is sufficient. The remaining 20% are neutral, suggesting they may benefit from moderate
10. A significant majority (85%) support the idea of institutional guidance on tax matter. There is minimal opposition or indifference, indicating a strong consensus. The need for financial education, particularly tax-related knowledge, is evident among the sample.

## **CONCLUSION**

1. The analysis reveals that awareness regarding the 2025 tax slab changes among non-grant teachers is moderate but insufficient.
2. Based on this simulated survey of 100 individuals, it can be concluded that the 2025 tax slab changes were highly effective in reducing the perceived overall tax burden for a significant portion of the sample. The high level of agreement indicates that the policy achieved its intended goal of providing tax relief to the majority.
3. Not everyone benefits evenly; a substantial neutral group and a small negatively-affected group indicate distributional differences across income levels, deductions, or household circumstances.
4. The sampled data indicate that the 2025 tax-slab changes are perceived positively by most respondents, with 7 in 10 reporting a reduced tax burden. This suggests the reforms achieved at least some of their intended effect of lowering taxes for a sizable portion of taxpayers in the sample.
5. The study concludes that the new tax system is overall more beneficial for non-grant teachers, offering lower tax liability and simplified procedures. The majority opinion favors the new regime due to its transparency, lower rates, and ease of compliance. However, a segment of teachers who previously benefited from multiple exemptions still find the old regime financially more suitable. The results highlight that the effectiveness of the new tax system largely depends on individual salary components and investment patterns.
6. Based on the analysis, it is concluded that a significant majority of individuals find the new tax regime difficult to understand and compute. The complexity of the provisions, limited awareness, and inadequate explanation in simple language are key reasons behind the confusion. Taxpayers are unable to independently calculate their tax liabilities and often rely on external help. This highlights a major gap in financial communication and taxpayer education related to the new reforms.

7. Although the revised 2025 tax slab structure aims to simplify taxation and provide relief, the study shows that taxpayers face considerable practical challenges in filing returns accurately. Awareness gaps, computational difficulties, and limited familiarity with online platforms hinder smooth adoption of the new system.
8. The study concludes that there is a strong need for structured tax literacy programs for non-grant teachers. Educating them will help in better financial planning, compliance, and utilization of tax benefits.
9. The analysis highlights that educational institutions play a crucial role in enhancing financial literacy and preparing students for practical financial responsibilities. Workshops or guidance programs on tax planning and reforms would be highly valued and likely well-attended.

## **SUGGESTIONS**

1. Organize tax literacy workshops in private schools/colleges to educate teachers about tax reforms.
2. Government and tax departments should release simplified guides explaining the new slabs in easy language.
3. Government should provide simple explanatory booklets or infographics on tax slab changes.
4. Communication Focus: The government/tax authority should leverage this positive data (70% agreement) in public communications to enhance compliance and public confidence in the tax system
5. To build on the apparent positive reception and address remaining neutrality or dissatisfaction, policymakers and administrators should publish clear, easy-to-understand guidance and worked examples showing how changes affect different income brackets and common household scenarios.
6. **Encouragement for Savings:** Teachers who opt for the new system should still be encouraged to follow disciplined saving habits, even without mandatory deduction-based incentives.
7. To improve understanding, it is suggested that the government and tax authorities provide **simplified and user-friendly explanatory material** such as calculators, visual guides, and step-by-step examples. Training and awareness programs should be conducted for employees, teachers, and common taxpayers through workshops or online sessions.
8. The government and tax authorities should conduct awareness campaigns and provide simplified guides or calculators for taxpayers.
9. Encourage **interactive Q&A sessions** with tax professionals to address real-life concerns.
10. Integration of basic tax education into the curriculum may improve awareness and confidence in financial decision-making. Online modules or webinars can be considered for wider accessibility.

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