



ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

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No. AIBSNLREA/CHQ/2019/21

Dated: 25.05.2019

To

Shri Subhash Chander,
Under Secretary, Desk-'D'
Department of Pension & Pensioners' Welfare,
Lok Nayak Bhawan,
New Delhi 110003.

Sub: Submission of views and suggestions on direct taxes

Ref: Your No. 017/1/2019-B&A dated 07.05.2019

Sir,

With reference to your above quoted letter inviting views and suggestions on direct taxes from the Pensioners' Associations, we take this opportunity to submit our views and suggestions on the said issue, as briefed below, for kind consideration and appropriate action.

2.0 The pensioners, who are senior citizens, find it hard to manage their life with the pension and the meagre amount of bank interest that they receive from the deposits made by them out of the terminal benefits which they receive at the time of their retirement from service. At an advanced age, they cannot make investments in share markets which are risky and depend on market fluctuation. Thus, they mostly invest their terminal benefits in banks and small savings which are fully secured. The return that they receive out of these is very low and the real value of their Investment decreases over the years. Further, due to old age they have perennial health problems like diabetes, hyper tension, heart problems, arthritis etc which takes away much of their income for treatment of self and spouse. Hence it is requested that in the case of pensioners, who are not gainfully employed elsewhere and whose income is derived wholly from their pension and the interest on their deposits in banks and small savings only, the Government may kindly consider the following measures: -

(1) *To declare pension fully exempt from Income Tax.*

(2) *To declare interest earned from bank deposits and small savings fully exempt from Income Tax.*

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(3) *To declare interest earned from Senior Citizens Savings Schemes with Post Offices/PSU Banks, which was introduced by the Government headed by Late Shri Atal Bihari Bajpayee taking into consideration falling interests in Bank deposits, as fully exempt from Income Tax.*

(4) *To declare pension received from Pradhan Mantri Vaya Vandana Yojana, which was introduced in 2017 by the Government headed by Prime Minister Shri Narendra Modi and being run by Life Insurance Corporation of India, as fully exempt from Income Tax.*

(5) *To declare the reimbursement of medical claims for outdoor treatments upto some fixed annual ceiling limit, as introduced by many Organizations, as exempt from Income Tax for the pensioners.*

3.0 We sincerely hope that our above suggestions will receive sympathetic consideration of the Government to give relief to the pensioners/Sr Citizens.

With kind regards,

Yours sincerely,


(S. Basu)

General Secretary