

## **'Why rob us of five years?' cry taxpayers**

*Pranab's Budget leaves countless 60-plus senior citizens angry and anguished*

*'Why does Income Tax Department insist on 65, not 60, as the age for senior citizens?'*

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“Union Finance Minister Pranab Mukherjee deserves applause for enhancing the Income Tax exemption limit for senior citizens from Rs.2.25 lakh to Rs.2.40 lakh. But there is a grave anomaly that remains uncorrected: when all other ministries and departments of the Union Government as well as State governments regard anyone above 60 as senior citizen, the Income Tax Department considers a person a senior citizen only after the completion of 65 years,” complains an angry and anguished taxpayer in an e-mail from Ambala in Haryana.

“When the banks provide a higher rate of interest to people who are 60 and above, the Railways extend to them a considerable concession on travel fare, several other old age benefits and incentives come to them at 60, the insurance companies even charge a higher premium from those above 60, why only the benefit of enhanced exemption on Income Tax be granted only after 65?” asks advocate Hemant Kumar in his e-mail.

He is not alone. Mr. Pranab Mukherjee's Budget has triggered similar questions from a great many taxpayers.

“The Manmohan Singh Government must remove this gross discrepancy at once,” demands another taxpayer in his early 60s.

It is pointed out that even the historic Maintenance of Parents and Senior Citizens Act, 2007, in its Section 2(h) defines a senior citizen as one who has attained the age of 60.

The National Old Age Policy envisaged by the UPA government in its previous tenure had also committed itself to retaining a uniform age limit for designation of a person as senior citizen.

Because of this anomaly that has existed since Mr. Chidambaram's days as Finance Minister, countless taxpayers ranging in age from 60 to just below 65 find themselves robbed of the enhanced tax exemption announced by Mr. Mukherjee in Parliament amid cheers on Budget Day. For the Income Tax Department, those below 65 don't qualify as senior citizens even though the Reserve Bank of India and the Indian Railways consider anyone above 60 a senior citizen, rue taxpayers.

HelpAge India, a non-government organisation working for the welfare of senior citizens, had written to the Government recently pleading for an “aged-friendly Budget” in this second innings of the Manmohan Singh Government. “We have underlined three primary concerns of senior citizens: pension/income security, Income Tax exemption limits to be raised; and health security. There are an estimated 90 million elderly in the country today and their needs require immediate attention,” says Sonali Sharma of HelpAge India. “The retirement age in most organisations in both public and private sectors ranges from 55 to 60 years. The Senior Citizens’ Savings Scheme, 2004, also includes under the term ‘depositor’ a person aged 55 (if he/she has taken voluntary retirement),” says HelpAge urging the Government to bring about uniformity and amend the Income Tax definition of senior citizens as ‘a person aged 60 years and above’.

Asking for uniformity in classification of senior citizens, 62-year-old retired government employee P. U. Jacob says: “The latest exemption is welcome because retirement means a much lower income flow, and to keep up with the high cost of living these days these benefits go a long way. So we would appreciate if the Government gives us the benefit right after retirement. It should also consider that our health needs and increased dependency escalate our daily living costs.”

Home-maker Neena Jha says: “The requirement for tax exemption starts right after retirement which is anywhere from 55 years onward. The Government has to understand that health and other requirements increase phenomenally while the income comes down. Because of the confusion created by the Income Tax Department over senior citizens’ age, a retired person will need to wait for five years or more to benefit from a government exemption, which is not fair.”

Echoing similar sentiments, 55-year-old insurance agent T. C. Verghese says: “We would welcome an exemption from 60 years onward as it would help us cope with the lower income, rising health expenses and escalating cost of living.”

Sixty-year-old Tresa George, who runs a play school, adds: “While I am considered a senior citizen when I retire at 60, the age limit set by the Income Tax Department allows me tax exemption only at 65. I feel deprived. There should be uniformity in the age at which we are categorised as senior citizens. The Government has to understand that old age comes with new responsibilities and additional need for money, all of which has to be managed with limited cash flow. The older population is a vulnerable group with special needs. With restricted cash flow after retirement and lower scope for saving, we would like the exemption at 60.”

Ruing that the value of money is dwindling with each passing week, 62-year-old retired school teacher Geeta Wattal says retirement brings with it the burden of running a household with limited resources. “Why should we be made to wait for half a decade to benefit from exemption when I am already considered a senior citizen everywhere at 60? With little health benefits and poor infrastructure for the older population, it is almost unfair that I am made to pay taxes too.”