



ALL INDIA BHARAT SANCHAR NIGAM LIMITED
RETIRED EXECUTIVES' ASSOCIATION
Central Headquarters

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No.AIBSNLREA/CHQ/2012/05

Dated: 30.01.2012

To
Shri Pranab Mukherjee,
Finance Minister,
Government of India,
New Delhi 110 001

Subject: **Proposals for Income tax relief for Senior Citizens in ensuing Budget- Request for**

Hon'ble Sir,

The Senior Citizens in general and the pensioners of the country in particular are confident that you will be kind enough to consider allowing some income tax relief for the Senior Citizens in the ensuing budget. The Senior Citizens are expecting that you would be proposing real relief to the senior citizen group of the country by giving as much tax relief as possible and remove the hardships being faced by them. In this connection, we would like to make the following requests for your kind consideration:-

(1) Enhancement of basic Exemption Limit:

- (a) The basic exemption limit for senior citizen of above 60 years but less than 75 years of age may be increased from Rs 2.5 lakhs to Rs 4 lakhs.
- (b) The age limit of Very Senior Citizens be brought down to 75 years of age from the existing 80 years and above. The basic exemption limit for this group be raised from Rs 5 lakhs to Rs 6 lakhs.
- (c) Income tax slabs for the Senior Citizens and Very Senior Citizens Group may be as under:
 - (i) Senior Citizen (60 years and above but less than 75 years)

Rs 4,00,001 – Rs 6,00,000	.....	10%
Rs 6,00,001 - Rs 9,00,000	.....	20%
Rs 9,00,001 and above	.....	30%
 - (ii) Very Senior Citizen (75 years and above)

Rs 6,00,001 – Rs 9,00,000	.....	20%
Rs 9,00,001 and above	.....	30%

(2) Exemption for the medical benefits received by the Senior Citizens

The Senior Citizens are more prone to diseases and are to spend more money for their treatment. In case of the pensioners, they get pension in the evening of their lives. The pension is already half of the pay drawn by them. They do not have any perks like HRA etc, so the pension is less than 50 % of what they were drawing while in service. Whereas the expenses incurred on account of medical treatment are not less in anyway. Being above 60 years in age, a host of diseases attack them and they are to spend a lot on purchase of medicines etc. Many senior citizens suffer from perennial diseases like diabetes, Hyper tension, heart, kidney ailments for which they have to constantly take medical treatment which need not necessarily be as an in-patient but many a times far exceed the actual medical benefit given. In some departments/PSUs, the pensioners are also given some medical benefit. ***Since the pension received is also treated as salary they get covered by the same clause for taxation regarding medical benefits received from their past employers.*** So to tax their medical benefit, which is not an income for them in reality, is causing great hardship to the senior citizens and it is a double jeopardy for persons ailing at old age. Since extending medical benefit is a social security, we request that the **taxation on medical allowance or medical reimbursement received by the senior citizens may be totally exempted from income tax.**

2. We earnestly hope that you will sympathetically consider our above requests and provide necessary relief for the senior citizens in the ensuing Union Budget.

With kind regards,

Yours sincerely,



(S Basu)
General Secretary

Copy to

- (1) Dr Manmohan Singh,
Hon'ble Prime Minister of India.
- (2) Shri Mukul Wasnik,
Minister of Social Justice & Empowerment.