

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 4340

TO BE ANSWERED ON MONDAY, 27TH MARCH, 2023/CHAITRA 6, 1945 (SAKA)

FACILITIES FOR THE RETIRED TAX-PAYERS

4340. SHRI GIRIDHARI YADAV:

Will the Minister of FINANCE be pleased to state:

- (a) whether public and private sector employees pay income tax to the Government honestly till the retirement age of 60 years but they have not been provided any special facilities like medical, housing etc. in lieu thereof after their retirement and if so, the details thereof and the reaction of the Government thereto;
- (b) whether the Government proposes to exempt the retired public and private sector employees from paying income tax after their retirement and provide housing, medical etc. facilities free of cost and if so, the details thereof; and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) Income tax is a tax imposed on individuals or entities in respect of the income or profits earned by them to be paid in accordance with the Income-tax Act, 1961(the Act). The provision of facilities like medical, housing etc. to an individual is not dependent on payment of income-tax by him and is to be made by the employer. The Government does provide various facilities including housing and medical to its employees.
- (b) There is no such proposal.
- (c) Income tax is to be paid on the income, whether on salary or pension or even other income like rent, dividend, capital gains, business income etc. and has no direct relation with retirement. However, some income tax related benefits provided to pensioners and senior citizens are given in the annexure.

Relief provided to senior citizens/pensioners under the Income-tax Act, 1961

- (i) In order to provide relief to senior citizens including those senior citizens receiving pension, Finance Act, 2018 provided various incentives which included,-
- a. increase in the limit of deduction on account of payment of health insurance premium and/or medical expenditure from Rs 30,000/- to Rs 50,000/- under section 80D of the Act;
 - b. increase in the limit of deduction for medical expenditure in respect of certain critical illness from Rs 60,000/- and Rs 80,000/-, in the case of senior citizens and very senior citizens respectively, to Rs 1,00,000/- in the case of all senior citizens (of the age of 60 years or more) under section 80DDB of the Act;
 - c. a deduction of Rs 50,000/- was provided to senior citizens on interest income from deposits with banks, co-operative societies and post offices under section 80TTB of the Act and the threshold for tax deducted at source on interest income for senior citizens was increased from Rs 10,000/- to Rs 50,000/- under section 194A of the Act.
- (ii) In order to ease compliance burden on senior citizen pensioners who are of 75 years of age or above having pension and interest income, Finance Act, 2021 provided that such persons shall be exempted from the requirement of filing of income tax if the full amount of tax payable has been deducted by the paying bank.
