



Benefits for **Senior Citizens** and Super Senior Citizens under **Income-tax Act, 1961**



Higher Basic Exemption

Higher Deduction for Medical Insurance Premium

Higher Deduction for Interest from Banks and Post Offices

Exemption from filing an ITR

and many more...



Income Tax Department
Central Board of Direct Taxes

BENEFITS UNDER DIRECT TAXES FOR SENIOR CITIZENS AND SUPER SENIOR CITIZENS

» Who is a Senior Citizen and a Super Senior Citizen?

At any time during the relevant financial year:

- Individual resident who is of the age of 60 years or above but less than 80 years is a Senior Citizen.
- An individual resident who is of the age of 80 years or above is a Super Senior Citizen.

Note: Senior Citizen as well as Super Senior Citizen enjoys all the tax benefits available to non-senior citizens along with some special benefits.

For Income Tax ActScan the QR Code....



» Higher Basic Exemption for Senior and Super Senior Citizens

- For Senior Citizens the basic exemption limit is fixed at a figure of **Rs. 3 lakh**.
- For Super Senior Citizens, the basic exemption limit is fixed at **Rs. 5 lakh**.

Note: For other individual taxpayers, the basic exemption limit up to which she/he is not required to pay any tax is Rs. 2.5 lakh (For A.Y. 2023-24).

» Exemption from payment of Advance Tax

- A resident Senior/Super Senior citizen need not pay any advance tax, provided he does not have any income under the head "Profits and Gains of Business or Profession".

Note: Every person whose estimated tax liability for the year is Rs. 10,000/- or more, is liable to pay advance tax.

» Benefits of Standard Deduction

- Senior Citizen and Super Senior Citizen who are in receipt of pension income from his former employer can claim a deduction up to Rs. 50,000/- against such income.

Note: If pension is less than Rs. 50,000/-, the deduction will be limited to the amount of pension received.

» Higher Deduction for Medical Insurance Premium/ Medical Expenditure (Section 80D)

- The maximum limit for deduction u/s 80D in respect of payment made for health insurance premium in respect of a Senior/Super Senior citizen has been allowed at Rs. 50,000/-.
- A deduction is allowed up to Rs. 50,000/- for medical expenses incurred on the health of a Senior/Super Senior citizen provided no amount is paid for health insurance of such person.

Note:

- For claiming this deduction, it is mandatory that the health insurance premium/ medical expenses are paid by any mode other than cash and both of these deductions cannot be claimed simultaneously.
- For other individuals, the maximum limit of deduction u/s 80D is Rs. 25,000/-.

Deduction in respect of maintenance and medical treatment of a dependent with a disability (Section 80DD).

- (i) A deduction u/s 80DD is allowed to a Resident Individual or HUF for medical expenditure or deposit in notified scheme for maintenance and medical treatment of a dependent with disability from Rs. 75,000/- to Rs. 1,25,000/- depending upon severity of disability. Deductions under this section shall also be allowed during the lifetime, i.e., upon attaining age of sixty years or more of the individual or the member of the HUF in whose name subscription to the scheme has been made and where payment or deposit has been discontinued.
- (ii) Any annuity or lump sum amount received by the disabled dependent before his death shall not be taxable in the hands of the individual or member of the HUF w.e.f. AY 2023–24 and onward, if the said individual or the member of the HUF in whose name subscription to the scheme has been made attained the age of sixty years or more.

» Higher Deduction in respect of expenses incurred for Medical Treatment of a Specified Disease or Ailment (Section 80DDB)

- For expenses incurred by the taxpayer in respect of a dependent Senior/Super Senior citizen for treatment of specified disease or ailments, a deduction of Rs. 1 lakh in a year is allowed.

Note: For other taxpayers, the amount of deduction available in respect of expenses incurred for medical treatment of specified disease or ailments of self or dependent relatives u/s 80DDB is Rs. 40,000/-

» Higher Deduction for Interest Income from Bank and Post Office

- A Senior/Super Senior citizen can claim a deduction upto Rs. 50,000/- u/s 80TTB in respect of interest income earned on savings bank accounts, bank deposits, or any deposit with the post office or co-operative banks.

In case such interest income earned by him during the year is less than Rs. 50,000/-, the payer bank/post office will not deduct any tax from such interest income.

Note: Individual taxpayers other than senior citizens are allowed maximum deduction of Rs. 10,000/- u/s 80TTA in respect of interest income from savings bank accounts.

» Eligibility to file manual Income Tax Return

- A super senior citizen aged 80 years or above filing his return of income in Form SAHAJ (ITR-1) or SUGAM (ITR-4) and having total income of more than Rs. 5 lakh or having a refund claim, can file his/her return of income in paper mode. For such individuals, electronic filing of ITR-1 or ITR-4 (as the case may be) is not mandatory.

Note: The Super Senior Citizen may opt for e-filing, if he chooses to do so.

» Form No. 15H for Non-Deduction of Tax at Source

- A Senior/Super Senior citizen may submit form no.15H to the deductor for non-deduction of TDS on certain incomes referred to in that section, if the tax on his/her estimated total income for the concerned year comes at nil.

» Income tax exemption on Transfer of Capital assets under 'Reverse Mortgage Scheme'.

- The transfer of a residential house property by way of a reverse mortgage as per the Reverse Mortgage Scheme made and notified by the Central Government for Senior/Super Senior citizen, is not liable to be taxed as Capital gain (nor under any other head of income).

» Exemption from filing ITR

The following categories of Senior Citizens are not required to file their ITR: —

- Resident Senior Citizens, 75 years or above and
- Having only pension income and interest income only from the account(s) maintained with a bank in which they receive such pension.

Note:

- (i) Applicable from A.Y. 2022-23
- (ii) The specified bank shall be responsible for computing their total income and deducting tax thereon after giving effect to various deductions allowable under Chapter VI-A and rebate u/s 87A of the Act.

» Applicable Tax Rates

- In respect of AY 2023–24, a senior citizen can opt for either the old or new tax regime as under:

a) Income tax rate slabs under old tax regime for senior citizens of the age from 60 to 80 years:

Income Slab	Rate of Income Tax
Upto Rs. 3,00,000/-	Nil
Rs. 3,00,001/- to Rs. 5,00,000/-	5% (if taxable income is upto Rs. 5 lakh, the tax liability is Nil on account of tax relief u/s 87A)
Rs. 5,00,001/- to Rs. 10,00,000/-	Rs. 10,000 + 20% of amount above Rs. 5,00,000/-
Above Rs. 10,00,000/-	Rs. 1,10,000 + 30% of amount above Rs. 10,00,000/-
Surcharge (subject to Marginal Relief)	If taxable income is more than Rs.50 lakh (then percentage vary from 10% to 37% depending upon the taxable income)
Health & Education Cess	4% of (Income-tax + Surcharge).

b) Income Tax slabs under old tax regime for super senior citizens (80 years and above in age)

Income Slab	Rate of Income Tax
Upto Rs. 5,00,000/-	Nil
Rs. 5,00,001/- to Rs. 10,00,000/-	20% above Rs. 5,00,000/-
Above Rs. 10,00,000/-	Rs.1,00,000/- + 30% above Rs. 10,00,000/-
Surcharge (subject to marginal Relief)	If taxable income is more than Rs. 50 lakhs (then percentage of surcharge varies from 10% to 37% depending upon the taxable income)
Health & Education Cess	4% of (Income-tax + Surcharge)

c) New Personal Income Tax Regime (115BAC) for all individuals including senior citizens and super senior citizens

Income Slab	Rate of Income Tax
Upto Rs.2,50,000/-	Nil
Rs. 2,50,001/- to Rs. 5,00,000/-	5% (if taxable income is upto Rs. 5 lakh, the tax liability is Nil on account of tax relief u/s 87A)
Rs. 5,00,001/- to Rs. 7,50,000/-	Rs.12,500/- + 10% of amount above Rs. 5,00,000/-
Rs. 7,50,001/- to Rs. 10,00,000/-	Rs. 37,500/- + 15% of amount above Rs. 7,50,000/-
Rs. 10,00,001/- to Rs. 12,50,000/-	Rs.75,000/- + 20% of amount above Rs. 10,00,000/-
Rs. 12,50,001/- to Rs. 15,00,000/-	Rs.1,25,000/- + 25% above Rs. 12,50,000/-
Above Rs. 15,00,000/-	Rs.1,87,500/- + 30% above Rs.15,00,000/-
Surcharge (subject to Marginal Relief)	If taxable income is more than Rs. 50 lakhs (then percentage of surcharge varies from 10% to 37%)
Health & Education Cess	4% of (Income-tax + Surcharge).

Note: Tax deduction under chapter VIA will not be available to a tax payer opting for the New Tax Regime u/s 115BAC, except for deduction u/s 80CCD(2) and 16(ia) of the Income Tax Act, 1961.



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Disclaimer: This brochure should not be construed as an exhaustive statement of the law. For details reference should always be made to the relevant provisions in the Acts and the Rules

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