



Sanchar Nigam Pensioners' Welfare Association

Reg.No: SOCIETY/WEST/2021/8902564

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SNPWA/ CHQ/ Hon MOF/1/24.

Dated 26th June, 24.

To

Smt. Nirmala Sitharaman ji,
Hon'ble Minister of Finance,
New Delhi.

Respected Madam,

Sub: Some Inputs for Consideration in the Budget

Ref: JCM Letter No

NC- JCM/ 2024 dated 21st June, 24

Kindly refer to the above letter wherein some suggestions for incorporation in the ensuing budget have been put forward by the JCM. We believe that additional suggestions aimed at improving the welfare of senior citizens would be highly worthwhile, particularly in view of your Government's strong empathy for the aging members of our community. We feel that the following suggestions are not only justifiable but also reasonable:

1. Exemption of Income Tax on Interest Earned from Fixed Deposits by Senior Citizens

- a) Senior citizens or retirees, at the final stage of their lives, are in no position to invest in business or real estate. Their primary source of survival is the income from their bank deposits. Levying income tax on this interest is, therefore, unduly harsh.

- b) Normal citizens who invest in property are exempt from income tax. If the property is sold after two years, they benefit from indexation. Furthermore, if the property is agricultural, it is fully exempt from income tax. **Senior citizens who deposit their terminal retirement benefits like Pension Commutation, Leave Encashment, Gratuity etc in banks have to pay tax on the interest accrued on these benefits. Thus, exempting the tax on the interest earned on these retirement benefits is the only way to ensure that parity with Younger Citizens is maintained.**

2. Exemption of GST on Medical Insurance Premiums and Medical Bills

- It is unfair to levy GST on medical insurance premiums for health policies availed by senior citizens. At their advanced age, with the cost of healthcare soaring, they cannot survive without health insurance. Therefore, we kindly request the exemption of GST on health policies. The same may be made applicable to medical bills paid by senior citizens. Please do not equate senior citizens, who are in declining health, with younger individuals in their prime.

3. Increase in Exemption Limit on Leave Encashment During Retirement

- The income tax exemption on leave encashment during retirement had been fixed at ₹3 lakhs based on the 5th CPC. At the intervention of your kind self, the limit was increased to ₹25 lakhs w.e.f. 2023-24, after a long wait of more than 20 years. Even though IT Act 1961 sec 10(10AA)(ii) clearly provides for a periodical revision of the limit, it was inadvertently or conveniently forgotten by previous Governments. However, this Government stepped in to correct the aberration and revise the limit based on DA increase as well. **Therefore, it is only fair to enhance this limit to ₹25 lakhs, retrospectively, with effect from 1.1.2016, the date of effect of the 7th CPC, since many pensioners have been deprived of their legitimate due. Your kind intervention to effect the raise from 01/01/2016 can bring the required fairness, ensuring natural justice prevails and no one is deprived**

4.Revision of Exemption Limit on Ex-Gratia under Section 10(10C) of the Income Tax Act, 1961

The exemption limit on ex-gratia under Section 10(10C) of the Income Tax Act, 1961, has remained at ₹5 lakhs since 1992. It is reasonable to increase this to ₹50 lakhs, considering the current purchasing value. Such increase in exemption may be effective from 01/01/2016, the date of effect of VII CPC.

5. Implementation of the Supreme Court Order on Increment for Retirees

- The Hon'ble Supreme Court has ordered the granting of an increment to those who retire on the eve of their DNI (30th/31st), where the DNI is on the 1st of the next month. This has been implemented from the date of the SC judgment. **It is clear from the SC verdict that it should apply to all similarly placed individuals, without any cut off date related to the Judgment of Supreme Court. Hence, it is earnestly hoped that this SC verdict will be extended to all eligible persons to ensure natural justice and uphold the spirit of the SC verdict.**

We are confident that with the pronounced commitment of the Hon'ble Prime Minister and his Government towards senior citizens, our genuine pleas will be considered in the ensuing budget provisions.

Thanking you,

With kind regards,

Sincerely Yours,



G. L. Jogi

General Secretary

Copy to

1. Sh Jitendra Prasad, Hon MOS, DOP& PW, for kind information and n/ a please.
2. Sh V. Srinivasan, Secy/ DOP& PW, for n/ a please.
3. Sh T. V. Somanathan, Secy/ Ministry, D.O.E, Ministry of Finance, for n/a please.