

Ms. Nirmala Sitaraman has bestowed a rare honour on old people of India. While presenting her extra ordinary budget for 2021-2022, she declared that Government is giving a rare honour to senior citizens. Senior citizens, 75 years old and above, need not file Income Tax Returns (ITR) hereafter.

The media gave big publicity for the extra ordinary honour.

Senior citizens need not pay Income Tax? NO. They have to pay.

They need not do anything. The Banks will deduct the Income Tax from their account, as per rules, at the rate prevailing.

The only concession given now is that they need not fill up the one-page form and file the ITR.

But, senior citizens should watch. Calculate and confirm that no excess amount is deducted.

At present, those who retired from Group D cadres are not required to pay Income Tax. Most of the retired Group C people are also out of the Tax net. Those who are liable to pay the income tax used to submit Form 15H or so. Many of such people do not file the ITR.

Senior citizens having pension and interest as income only are honoured by the Finance Minister as above.

Another condition is that such senior citizens must have their Pension Account and Fixed Deposits, if any, in the same bank.

Without knowing the details many have welcomed the new extra ordinary honour given by the Finance Minister.