

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3439
ANSWERED ON:16.04.2010
TAX RELIEF TO PENSIONERS AND VETERAN SPORTSPERSONS
Patel Shri Natubhai Gomanbhai

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any scheme to provide tax relief to the pensioners in the country;
- (b) if so, the details thereof;
- (c) the number of persons to be benefited therefrom;
- (d) whether there is any provision for providing pension to the aged and veteran sportspersons under the proposed scheme; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE:(SHRI S.S. PALANIMANICKAM)

(a)& (b): Under the Income-tax Act, 1961 (Act), there are various provisions which provide tax relief to the pensioners in the country.

1. Section 10(10A) of the Act provides specific exemptions for any payment in commutation of pension received under rules & schemes specified therein.
2. Section 10(18) of the Act provide exemption for any income by way of pension/family pension received by an individual who is recipient of gallantry awards.
3. Section 10(19) of the Act provide exemption for any income by way of family pension received by the nominated heir/ family member of a member of armed forces of the union who died during operational duties.
4. Section 57(iia) provides deductions of 33.5% in the case of income in the nature of family pension subject to ceiling Rs. 15,000.
5. Section 89 provides relief in cases where the total income is assessed at a higher rate due to receipt of a sum in the nature of family pension, being paid in arrear; and in addition to the above specific provisions;
6. the enhanced basic exemption limit for the senior citizens (65 years and above) is Rs. 2.40 lakhs for the income arising during Financial Year 2009-10, which is higher than the basic exemption limit of Rs. 1.60 lakhs in other individual cases; majority of pensioners therefore get benefitted.

(c) There is no specific data base maintained in respect of number of beneficiaries of specific provisions of the Act.

(d) & (e): As per the provisions of Income-tax Act, 1961, there is no provision for providing pension to the aged and veteran sportspersons. The Income-tax Act provides for exemption to the income arising due to pension in certain cases and statutory framework of taxation law does not provide any mechanism of giving pensions to any category of persons.