



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

Flat No 101, Block C Shivom Residency, M. G. Road Indore- 452001

E-Mail ID sharbat_123@rediffmail.com Mobile: 8966019488

Ref: 2022/ 647

31.07.2022



Srimati Nirmala Sitharaman
Honorable Finance Minister
Government of India, New Delhi

Respected Madam

Re: Issues of Senior Citizens

All India Bank Retirees' Federation (AIBRF) is apex level organization of bank retirees with membership of more than 2.5 lakhs. **All members of AIBRF are senior citizens.**

2. We place the following suggestions on behalf of senior citizens of the country for your kind consideration to enable them to face economic challenges with more confidence to ensure respectable and dignified life at the advancing age

- (a) **Increase in Exemption Limit under Income Tax Act:** You will kindly agree that income tax limit require upward revision to factor element of inflation which is presently ruling around 7 per cent. Senior citizens have limited source of income with increasing expenses on medical treatment and other necessities. High inflation is also creating serious dent in purchasing power. Nuclear family system is becoming more and more visible in urban centers in the country which also calls that retired people / senior citizens should be economically independent to ensure decent and dignified life to them. **Considering the above, there is need for upward revision in the exemption limit in income tax rates to Rs. 10 lakhs for senior citizens. We appeal to you to consider our request in this regard favorably.**
- (b) **Increase in rate of interest on government sponsored deposit scheme.** We are happy to find that the government has introduced special deposit schemes for senior citizens providing higher rate of interest on the deposits giving them better interest income in the falling interest rate scenario. However, of late because of higher rate of inflation prevailing in the system and increase in policy rates by RBI to arrest inflationary trend, real rate of interest has entered in negative territory. We find that presently, rates of interest on these special schemes are in the range of 7.15 per cent to 7.4 per cent. In view of the above developments, these interest rates need to be revised upwardly. **We suggest that interest rates on these deposit scheme should be revised to 8.5 per cent p.a.**
- (c) **Ceiling on maximum amount to be kept by senior citizens under special deposit schemes should be revised:** As per provisions of the schemes, senior citizen can deposit maximum Rs. 15 lakhs under Senior Citizen Savings Scheme (SCSS) and Pradhan Mantri Vaya Vandana Yojana of LIC. Considering the quantum of retirement benefits received by the retirees now a days, the limits need to be revised. We suggest they may be increased to 30 lakhs under each scheme.

(d) **Request to restore railway concession to senior citizens:** During the covid period concessions available to senior citizens on rail tickets were withdrawn. These concessions have not been restored yet by railways. While we agree that giving concession on rail tickets result in to financial burden on railways, but they have special significance in ensuring senior citizens who have limited source of income to undertake pilgrimages and other social trips at the affordable cost. Besides the above, they provide sense of pride and respect to the senior citizens. We therefore humbly request you to consider our request to restore railway concession to senior citizens at the earliest.

We hope our suggestion will receive your kind attention and they will be considered favorably.

With Respectful Regards,

Yours Sincerely

A handwritten signature in black ink, appearing to read 'S. C. Jain', is written over a horizontal line that extends across the width of the signature.

(S. C. JAIN)
GENERAL SECRETARY

C.C. to

(1) The Secretary, Department of Financial Services, Government of India, New Delhi

(2) The Chief Executive, Indian Banks' Association, Mumbai