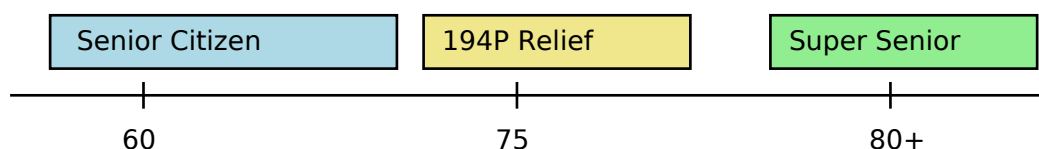


Illustrated Guide to Senior Citizen Tax Rules & Retirement Planning (Post Budget 2024)

Purpose: This guide explains the concepts in simple language with practical illustrations so it can later be adapted into articles, blogs, presentations, or client emails.

1. Age Classifications



Senior Citizen: Resident aged 60-79 years.

Super Senior: Resident aged 80 years or more.

Age 75+: If income consists only of pension and interest from the same specified bank, Section 194P may remove the need to file an Income Tax Return, subject to conditions.

Illustration

Mr. Sharma turns 60 on 31 March. Even though he was 60 for only one day during the financial year, he qualifies as a senior citizen for that year.

2. Pension Income Explained

Think of pension as salary received after retirement. Under the new regime, a standard deduction of ₹75,000 reduces taxable pension income. Under the old regime, it is ₹50,000.

Scenario	Amount
Annual Pension	■8,00,000
Less Standard Deduction	■75,000
Taxable Pension	■7,25,000

3. Old vs New Tax Regime

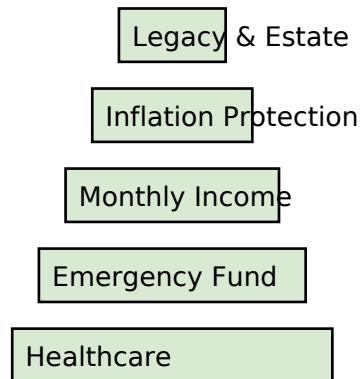
New Regime: Simpler, fewer deductions, higher standard deduction.

Old Regime: Better if you claim deductions like Section 80D, 80TTB, home loan interest, etc.

4. Capital Gains

Asset	Long-Term Holding	LTCG	Example
Listed Equity	More than 12 months	12.5%	Bought at ■5 lakh, sold at ■8 lakh
Real Estate	More than 24 months	12.5%	House held over 2 years
Gold	More than 36 months	12.5%	Physical gold or jewellery

5. Retirement Planning Pyramid



Healthcare: First priority.

Emergency Fund: Keep 6-24 months of expenses in liquid investments.

Monthly Income: Pension, annuities, SWPs, etc.

Inflation Protection: Maintain some growth assets.

Legacy: Estate planning and nominations.

6. Practical Case Study

Mrs. Mehta (68) receives: Pension: ₹9 lakh/year Bank Interest: ₹80,000 Equity LTCG: ₹1 lakh She compares both tax regimes. Under the old regime she may benefit if she claims substantial deductions. Under the new regime she benefits from a higher standard deduction and simplified compliance. A tax comparison should always be prepared before filing.

Key Takeaways

- Tax planning should never compromise retirement security.
- Maintain liquidity for medical emergencies.
- Compare both tax regimes every year.
- Review nominations, wills, and asset allocation regularly.