HRA exemption to Pensioners & Meaning of senior Citizen, section 80GG

Senior citizen under income Tax act

As per income Tax act Senior citizen means a person who is 65 years at any time during the previous year .Means if your age is 65 years on any date fall between 01.04.2008 to 31.03.2009,you will treated as senior citizen under income tax act. As you are 65 on 28 Feb, 2009 so you are a senior citizen for previous year 2008-09 and in coming years.

Can a pensioner claim rebate for House rent paid?

To claim HRA rebate first a major condition is assessee should have received House Rent allowance from employer and he should have paid rent for House taken on rent. The amount of HRA exempted under section 10(13A) read with rule 2A is least of the following.

a) HRA received.
b) House rent paid in excess of 10% of salary
c) 50 % of salary if rented house is situated in Bombay, Madras , Calcutta ,Delhi in any other city 40 % of salary

Salary here means: salary includes dearness allowance, if the terms of employment so provide, but excludes all other allowances and perquisites. plus fixed % commission on sale .

This is general condition, now take your condition.

a) As Pension is covered under the definition of salary and taxable in the Head salary hence there is no separate treatment given for HRA paid to pensioners.
b) As per section 10(13A), HRA should be paid by employer to the employee, Pension is also covered under this, as the relation of employer and employee is existed between pensioners and employer also.
c) other condition as applicable to employee also applicable to pensioners

So in my opinion HRA exemption is available to pensioners also.

a) If House rent allowance is received by the pensioner from employer. and
b) House rent is being paid by the pensioner actually.

but generally no HRA is being paid in case of pensioner so no question of exemption arises at all even house rent is being paid .but in this case also Deduction u/s 80GG can be claimed detail is given hereunder

Deduction under section 80GG for house rent paid:

Deduction u/s 80GG is available if following conditions are satisfied:

a) Deduction is available to Individual Assessee only.
b) He has not received HRA (house rent allowance) from his employer if he is a salaried person otherwise he should be self employed.
c) He has paid house rent for his own residence.
d) He or his spouse or his minor child or HUF(of which he has a member) should not have a residential house where he ordinarily resides or performs duties of his office or employment or carries on his business or profession;
e) He should not have a house owned by him, which is under his occupation and value of that is not being taken as nil under section 23(2) (a) or 23(4).
f) A declaration on Form 10BA should be submitted.

So if conditions are satisfied then he can claim deduction u/s 80GG for house rent paid

Amount of deduction:

Least of the following is deductible u/s 80GG

a) Rs 2000 per month for the Assessment year 1987-88 onwards.
b) 25 % of total income
c) the excess of actual rent paid over 10 % of total income

Total Income means income excluding long term and short term gain under section 111A and income referred to in section 115A or 115D but before making any deduction under section 80C to 80U.

If you are not receiving the HRA like other pensioner then you can claim deduction under section 80GG details as given above.

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