


## Deduction of Medical Insurance u/s 80D of the Income Tax Act, 1961

**Section 80D** of the Income Tax Act, 1961 (the Act) allows for the deduction for money spent on maintaining your health i.e. health insurance and it assumes great significance in tax planning.

### CONDITIONS FOR CLAIMING EXEMPTION –

- 1) Deduction available to *Individual & Hindu Undivided Family (HUF)*
- 2) Insured can be
  - In case of individuals - *Self, Family (spouse, dependent children) and parents*
  - In case of HUF - *any member*
- 3) Mode of Payment – Any mode *other than cash*
- 4) Deduction allowed for
  - *Premium paid on Medical Insurance + CG Health Scheme + Preventive Health Checkup(PHC)*  
*OR*
  - *Medical Expense for Senior Citizen (where no health insurance is taken for them) upto Rs. 50,000*
- 5) Different Scenarios for Individuals/HUF are –

PREMIUM PAID FOR 	SCENARIO				
	Self & Family < 60 years and Parents < 60 years	Self & Family < 60 years and Parents > 60 years	Self & Family > 60 years and Parents > 60 years	HUF (Member <60 years)	HUF (Member >60 years)
Self, spouse and dependent children	25,000	25,000	50,000	-	-
Parents	25,000	50,000	50,000	-	-
Any Member	-	-	-	25,000	50,000
<b>Deduction under 80D</b>	<b>50,000</b>	<b>75,000</b>	<b>1,00,000</b>	<b>25,000</b>	<b>50,000</b>

\* the above deduction includes deduction of PHC which can be max Rs. 5000 and can be paid in cash

- 6) Where **amount** for health insurance is **paid in lump sum** for more than a year, the *deduction shall be allowed for each relevant previous year equal to the appropriate fraction amount*  
(fraction amount means the fraction in which numerator is one and denominator is total no. of relevant years.)

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