

## Get Medical Insurance - Save Tax Today!

With the help of better research facilities and newer technology, India has gained significantly in the field of medicine and medical research over the past few years, which have seen a big jump in the quality of health care being dispensed across the country. As a result, we have seen a marked improvement in the quality of life, and health on our country over the years.

With better technology, we incur additional expenses every year to avail of better health care facilities for our family and us. Today, it is a great idea to get medical insurance for ourselves to make sure that we can take on the burden of additional medical expenses to look after our own health. Medical insurance is something that should be taken very seriously and considered a part of our annual budget.

In India, most people are well aware that a person can also save on their tax up to Rupees 1,00,000/- under section 80C of the Income Tax Act 1961, and payments which have been made towards medical insurance under section 80D of the Income Tax Act, 1961 can also help you save Income Tax. According to section 80D of the Income Tax Act, 1961, any individual can claim a deduction in respect of a medical insurance premium paid up to Rupees 15,000/- for himself and his spouse (and dependent children). He can also claim a further deduction for medical insurance premiums paid up to Rupees 15,000/- for his parent(s). A further deduction of up to Rupees 20,000/- can be availed in case this premium is paid for a parent who is a senior citizen of age 65 years or more. Thus, one can see how medical insurance payments can help you save tax annually

Here is an example to give you a better idea of how much deduction you can get through medical insurance. For example, let us assume that Ramesh has made two medical insurance premium payments this year. One was for himself, his wife, and children, and the other was for his dependent parents who are both senior citizens. He pays Rupees 10,000/- and Rupees 26,000/- respectively as these medical insurance premiums every year. Hence, he can get deductions u/s 80D of the Income Tax Act, 1961 like this. For the premium of Rupees 10,000/-, the full sum will be deductible for tax calculation, since deductions are allowed based on actual premium payments made up to a maximum limit of Rupees 15,000/- annually.

As far as the 2nd premium of Rupees 24,000/- is concerned, he will be able to get a deduction for a maximum sum of Rupees 20,000/- only for the medical insurance premiums paid for his parents who are senior citizens, since the maximum limit for deduction that is allowed is only Rupees 20,000/-. As a result, his total deduction allowed under medical insurance will be Rupees 30,000/- (Rupees 10,000 + Rupees 20,000/-) in total for both these medical insurance policies.

Some medical insurance providers have come up with new and innovative medical insurance policies that allow you to get the maximum deduction allowed (i.e. Rupees 15,000/- per year) while adjusting the sum insured every year. Those who want to use medical insurance as a tax saving tool can look into these policies like ICICI's Health Advantage Plus, for example.