

Jain Investments Financial Blog

Insights and advice to help you build a secure financial future.

5 Smart Tax-Saving Strategies Every Indian Professional Must Know (FY 2024-25)

1. Section 80C Investments

Current Limit:

- ₹1,50,000 per year (old tax regime only) ^[1] ^[2] ^[3].

Eligible Investment Options:

Investment Option	Interest (% pa)	Lock-in Period	Risk	Returns Assured?
PPF	7.1	15 years	Low	Yes
ELSS (Mutual Funds)	Fluctuating	3 years	High	No
NSC	7.7	5 years	Low	Yes
5-Year FD (Bank/PO)	Up to 8.4	5 years	Low	Yes
Sukanya Samriddhi Yojana	8.2	8 years	Low	Yes
Senior Citizens Saving Scheme (SCSS)	8.2	5 years	Low	Yes
Life Insurance Premium	-	Varies	Low-Mod	As per plan

- Investments must be made between April 1, 2024 and March 31, 2025 ^[3].

Tax Calculation Example:

If you invest ₹1,50,000 in PPF, taxable income gets reduced by ₹1,50,000.

Implementation Steps Checklist:

- Review Section 80C eligible investments.
- Choose based on your risk appetite and goals.
- Invest before March 31, 2025.
- Collect investment proofs for tax filing.

Recent Regulatory Changes:

- Section 80C deduction remains unchanged for FY 2024-25.
- From April 1, 2026, Section 80C deductions will shift to Clause 123 (for reference for future years) ^[4].

2. Section 80D – Health Insurance Premiums

Current Limit:

Policy For	Max Deduction (₹)
Self + Family (all <60 years)	25,000
Parents (<60 years)	25,000
Parents (>60 years)	50,000
Self/Family and Parents (all >60 years)	100,000
Preventive health check-up	5,000*

**Within overall Section 80D limit [5] [6].*

Investment Options:

- Health insurance premiums for self, spouse, dependent children, and parents.

Tax Calculation Example:

You pay ₹28,000 for your family (all below 60) and ₹52,000 for senior citizen parents. Claim ₹25,000 for self/family and ₹50,000 for parents; total deduction: ₹75,000.

Implementation Steps Checklist:

- Pay premiums via cheque/bank transfer.
- Arrange preventive check-ups (up to ₹5,000 allowed).
- Collect receipts and policy details.

Recent Regulatory Changes:

- No changes in 80D deduction limits for FY 2024-25.
- Preventive check-up limit is ₹5,000 but counts within the relevant section cap [5].

3. HRA Exemption Optimization (House Rent Allowance)

Calculation Rules (choose lowest):

- Actual HRA received.
- 50% of salary (metro)/40% (non-metro).
- Rent paid minus 10% of salary [7].

Tax Calculation Example:

- HRA received: ₹3,20,000
- Basic salary: ₹8,00,000 (Metro city)
- Rent paid: ₹3,60,000/yr
- Compute:

- HRA received = ₹3,20,000
- 50% of salary = ₹4,00,000
- Rent paid – 10% salary = ₹2,80,000
- Exemption = ₹2,80,000 (lowest).
- Taxable HRA = ₹3,20,000 – ₹2,80,000 = ₹40,000.

Checklist:

- Ensure rent paid is via valid receipts.
- Maintain rent agreement and proof of payment.
- Declare rent and HRA in Form 16 to employer.

Recent Updates:

- Exemption not available under the new tax regime.
- Watch for recent city metros/non-metro reclassification, if any.

4. Section 80CCD(1B) – NPS Contributions

Current Limit:

- Additional ₹50,000 deduction over and above ₹1,50,000 under Section 80C^{[1] [8] [9]}.

Tax Calculation Example:

- Invest ₹1,50,000 in PPF (80C) + ₹50,000 in NPS (80CCD(1B)) = ₹2,00,000 total deduction.

Implementation Steps Checklist:

- Open/maintain an NPS Tier I account.
- Invest via online/offline channels.
- Save transaction statement for ITR filing.

Recent Regulatory Change:

- No change for FY 2024-25; only available in the old tax regime.

5. Section 80TTA & 80TTB – Interest Deductions

Section	Eligible Persons	Interest Sources	Max Deduction (₹)
80TTA	Individual/HUF (Non-Sr)	Savings Account Only	10,000
80TTB	Senior Citizens (60+)	Savings, FD, RD Interest	50,000

Tax Calculation Example:

A professional earns ₹12,500 interest from a savings account; deduction allowed: ₹10,000 under 80TTA.

A senior citizen earns ₹54,000 from FD/savings; deduction allowed: ₹50,000 under 80TTB^[10].

Checklist:

- Verify your bank and account types.
- Download bank interest certificates.
- Apply the correct section in ITR (Do not claim both).

Comparison Table: Tax-Saving Deductions FY 2024-25

Section	Max Deduction	Eligible For	Popular Investment/Expense	Key Restrictions
80C	₹1,50,000	Individuals, HUF	PPF, ELSS, NSC, 5Y FD, SCSS, LIC etc.	Investments must be completed by 31 Mar; not for NRI FDs
80CCD(1B)	₹50,000	Individuals (old regime)	NPS Tier I Self-Contribution	Tier I only, not employer part
80D	₹25,000-1,00,000	Individuals, HUF	Health insurance, preventive check-ups	Payment mode/receipt required
HRA Exemption	Varies	Salaried, paying rent	House Rent Allowance	Actual rent, salary, city type matters
80TTA	₹10,000	Non-Senior Indl/HUF	Interest from savings account only	Fixed and recurring deposits excluded
80TTB	₹50,000	Senior Citizens	Interest (Savings/FD/RD at banks/PO)	Senior citizens only

Practical Tax-Saver Checklist

- ☐ Review current income and goals.
- ☐ Choose Section 80C, 80CCD(1B) options first for maximum deduction.
- ☐ Pay health insurance premiums via approved modes.
- ☐ Collect all investment, insurance, and rent receipts.
- ☐ For interest deductions, keep annual bank certificates.
- ☐ File returns under correct tax regime (deductions in old regime only).

Professional Disclaimer

This guide is for informational purposes only and does not constitute financial or tax advice. All figures and rules are subject to change as per government regulations and budget amendments. Clients are advised to consult a SEBI-registered financial advisor or a qualified tax professional before making investment or tax-saving decisions. Tax benefits may vary as per individual circumstances, and regulatory changes can impact the applicability of deductions. Neither the advisor nor the publisher accepts any liability for actions taken based on this content.

Key recent regulatory changes:

- Section 80C limit remains at ₹1,50,000.

- Section 80D limits unchanged.
- 80CCD(1B) remains at ₹50,000 extra; only in the old tax regime.
- No deduction under these sections in the new tax regime^[11] ^[12].

For a printable PDF, all tables and checklists should be formatted for clarity, and regulatory updates should be reviewed annually before distribution.

*
**

1. <https://cleartax.in/s/80c-80-deductions>
2. <https://www.bajajfinserv.in/investments/80c-deductions-limit>
3. <https://tax2win.in/guide/deductions>
4. <https://tax2win.in/guide/income-tax-deduction-section-80-c>
5. <https://cleartax.in/s/medical-insurance>
6. <https://www.policybazaar.com/health-insurance/section80d-deductions/>
7. <https://economictimes.com/wealth/tax/hra-exemption-queries-is-hra-available-under-new-tax-regime-can-you-claim-it-along-with-your-home-loan-how-to-calculate-the-exemption/articleshow/120380694.cms>
8. <https://cleartax.in/s/section-80-ccd-1b>
9. <https://www.proteantech.in/articles/new-and-old-regime-06-05-2025/>
10. <https://www.tataaig.com/health-insurance/section-80tta-and-80ttb-of-income-tax>
11. <https://cleartax.in/s/income-tax-changes-from-april-2024>
12. <https://www.bajajfinserv.in/investments/save-income-tax-in-the-new-regime>