

## **THE POST OFFICE SAVINGS ACCOUNT RULES 1981**

(Issued vide MOF (DEA) Notification No.F.3/15/81-NS.II dated 17-12-1981 and further amended from time to time)

**G.S.R. 220(E):-** In exercise of the powers conferred by section 15 of the Government Savings Bank Act, 1873 (5 of 1873), the Central Government hereby makes the following rules, further to amend the Post Office Savings Account Rules, 1981, namely:-

1. (1) These rules may be called the Post Office Savings Account (Amendment) Rules, 2014.
- (2) They shall come into force on the date of their publication in the Official Gazette.

(In the Post Office Savings Account Rules, 1981, in Rule 9 for sub-rule (2), the following sub-rule shall be substituted, namely: -- -

(2) When payment of interest is not involved and when final withdrawal on closure of an account is made at Post Offices on Core Banking Solution platform, such withdrawal on closure may be allowed by a Sub-Savings Bank without obtaining the prior sanction of the Head Savings Bank."

### **[ MOF (DEA) Notification No. G.S.R.220(E) dated 13<sup>th</sup> March, 2014]**

**(2) Definitions:** - In these rules, unless the context otherwise requires:-

- (a) '**Account**' means a savings account;
- (b) '**Deposit**' means the money deposited by the depositor in an account under the rules.
- (c) '**Depositor**' means an individual who

(i) on his own behalf, or

(ii) on behalf of a minor or a person of unsound mind of whom he is the guardian deposits money in an account under the rules.

[MOF (DEA) letter No. F.2/8/2005-NS.II dated 20.5.2005.]

**Clarification:** - A joint account of Type A or B will be opened by two or three adult individuals as at present.

[MOF (DEA) letter No.F.2/8/2005-NS.II dated 20-5-2005]

- (d) '**Year**' means a year commencing on the 1<sup>st</sup> day of April.
- (e) '**Words and expressions**' used herein and not defined but defined in the Post Office Savings Bank General Rules, 1981 shall have the meanings respectively assigned to them in those rules.

**3. Application of the Post Office Savings Bank General Rules 1981:-** For matters not provided in these rules, the provisions of the Post Office Savings Bank General Rules, 1981 shall apply.

**4. Types of Savings Accounts and matters connected therewith:-** The types of accounts, the persons by whom such accounts may be opened and operated upon, maximum amount that can be credited to the account and other matters connected therewith shall be as specified in the table below, namely:-

**TABLE**

1	2	3	4	5
Type of account	Who may open	Maximum balance excluding interest for the current year	Number of accounts that can be opened	Who may operate the account
<b>A.INDIVIDUAL ACCOUNTS</b>				
1.Single Account	(a) A person who has attained the age of majority and who is of sound mind( hereinafter referred to as an adult)	<u>There is no limit for maximum balance as per GSR No.681(E) dated 15-09-2011</u>	Any number of accounts but not more than one account at one Post Office Savings Bank	The adult. An illiterate, blind or otherwise physically handicapped adult may operate on his account through a literate agent nominated by him for the purpose
	(b) A Minor who has attained the age of 10 years.	<b>-do-</b>	One	The Minor
	(c) A guardian on behalf of a minor	<b>-do-</b>	One on behalf of each minor	The guardian during the minority of the minor and hereafter the ex-minor
	(d) (i) A guardian of a person of unsound mind.	<b>-do-</b>	One on behalf of each person of unsound mind	The guardian
	ii) The Superintendent of the Mental Hospital where a person of unsound mind is confined.	<b>-do-</b>	One on behalf of each person of unsound mind	The Superintendent of the Mental Hospital.
	(e) An authority controlling a Provident Fund, Superannuation Fund or Gratuity Fund on behalf of its individual members	<b>-do-</b>	One on behalf of each member	The authority controlling the Fund or the member on production of a letter of authorisation from such authority.
2. Joint Account. (i) A- Type, that is to say, payable to the depositors jointly or to two survivors jointly or to the sole survivor	Two or three adults	<b>-do-</b>	Any number of accounts but not more than one joint account at one Post Office Savings Bank	All the depositors or both the survivors or the sole survivor as the case may be.
(ii) B- Type, that is to say, payable to any one of the depositors or the either of two survivors or to the sole survivor.	Two or three adults	<b>-do-</b>	Any number of accounts but not more than one joint account at one Post Office Savings Bank	One of the depositors or either of the two survivors or the sole survivor as the case may be

3. Pension Account	A Pensioner, being a retired Railway servant or a servant of the Posts and Telegraphs	-do-	One	<p>(a) The Head Savings Bank or Sub Savings Bank, for</p> <p>(i) Crediting to the Pension Account the amount of pension due to the pensioner.</p> <p>(1) Where the amount relates to the month of March, on the 1<sup>st</sup> working day of April.</p> <p>(2) Where the amount relates to any other month, on the last working day of the relevant month; and</p> <p>(ii) for recovering any amount credited in excess of the sum to which the pensioner was entitled.</p> <p>(b) The pensioner, for making withdrawals.</p>
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[Rule amended vide MOF (DEA) Notification No.GSR 165(E) dated 28-2-2000]

**Note 1:-** The Post Office Savings Account in the case of Individual Accounts shall be opened after proper introduction of the depositor (w.e.f. 1.1.1990)

[MOF (DEA) Notification No.F.2/11/89-NS.II dated 8-11-1989.

#### 4. Sanchayika Accounts:-

Keeping in mind the recent amendment to the Government Savings Bank Act, 1873 whereby investment by all juridical persons in various small savings schemes has been discontinued with effect from 13<sup>th</sup> May 2005, it has been decided to make the following modification with regard to the operation of the 'Sanchayika' scheme under which children in schools/colleges are encouraged to save through a savings bank set up in the school/ college. In lieu of the present system whereby the savings of the students are deposited by the Sanchayika( School/College Savings Bank) in a post office savings account in the name of the school/college or in the name of the Sanchayika itself, fresh account under the scheme may be opened or the existing account may be commuted in the name of the principal/teacher and two students not less than 10 years of age. These accounts will be designated as 'Sanchayika' accounts and will be opened and operated by the three individual depositors jointly. In case any of the depositors leave the school, their name would be substituted by others with the authorisation of the Principal. The account would be supported by a copy of the resolution establishing the Sanchayika as hitherto fore.

[MOF (DEA) letter No.F2-8/2005-NS.II dated 6.9.2005]

**Note:-** Only one Sanchayika account will be opened for each school or college. There will not be any limit of maximum balance in the account. The balances in the account will earn interest at the rate applicable to individual savings accounts.

**Note 1:-** For the purpose of maximum balance, the depositor's share in the balance of a joint account shall be taken as one half or one third of such balance according as the account is held by two or three adults.

**Note 2:-** An account standing in the name of a minor under item 1(b) or (c) of the Table, shall on his attaining the majority, be treated in all respects an account opened by an adult under item (1)(1) of the Table.

**Note 3:-** Under item 1(c) or (d) of the Table only one account can be opened in respect of a minor or a person of unsound mind as the case may be.

**Note 4:-** A joint account in the names of two adults may be opened in addition to a single account and pension account held by either or both of the depositors in the same or another Post Office Savings Bank. If one of the depositors dies, the joint account shall, as from the date of death of such depositor, be deemed to be a single account in the name of the surviving depositor. If he is already having a single account in his name in the same Post Office Savings Bank, one of the two accounts shall be closed.

**Note 5:-** A joint account in the names of three depositors may be opened in addition to a single account and pension account held by any or all of the depositors and joint accounts held by any two of the depositors in the same post or another Post Office Savings Bank. If one of three depositors dies, the account shall, as from the date of death of such depositor, be deemed to be joint account in the names of the two surviving depositors. If they are already having a joint account in their names in the same Post Office Savings Bank, one of the two accounts shall be closed. In the case of death of one of the two surviving depositors, the account shall, as from the date of death of such depositor, be deemed to be as single account in the name of sole surviving depositor. If he is already having a single account in his name in the same Post Office Savings Bank, one of the two accounts shall be closed.

**Note 6:-** The term 'pensioner' includes a person drawing family pension. A pension account may be opened in addition to a single account or a joint account or both in the same or another Post Office Savings Bank.

**Note7:-** Omitted.

[MOF (DEA) Notification No.GSR 286(E) dated 13.5.2005]

## **5. Deposits and withdrawals in an account –**

(1) No account shall be opened with a deposit of less than fifty rupees provided that the first deposit at the time of opening an account shall be made in cash only.

(2) No subsequent deposit shall be of a sum less than five rupees

(3) No withdrawal shall be for a sum less than five rupees

(4) No withdrawal shall be permitted which has the effect of reducing the balance to less than fifty rupees in an account not having cheque facility and five hundred rupees in an account in which cheque facility has been provided.

(5) Not more than one withdrawal in a day shall be allowed from an account standing at an Extra Departmental Sub Savings Bank or Branch Savings Bank.

(6) Withdrawal of not less than twenty five rupees may be made by cheque at any Head Savings Bank or Sub Savings Bank, authorised in this behalf, subject to the conditions prescribed.

(7) The deposits which are not in multiples of five paise shall be rounded to next integer of five paise.

(8) Notwithstanding anything contained in this rule-

(a) No deposit shall be accepted in an account other than individual account.

(b) The outstanding balances in an account other than individual account, shall be refunded to the depositor on a date not later than 31<sup>st</sup> December 2005.

[Rule amended vide MOF (DEA) Notifications No.GSR 349(E) dated 10-5-2002 and No.GSR 509(E) dated 27.5.2005]

## **6. Interest on deposits in an account:-**

(1) Subject to sub-rules (2) to (9) interest at the rate notified by the Central Government in the official gazette from time to time, shall be allowed for calendar month on the lowest balance at credit of an account between the close of the tenth day and end of month and such interest shall be calculated and credited in the account at the end of each year.

(2) Interest shall be allowed only on sums of complete rupees and shall be rounded off to the nearest rupee and for this purpose any amount of 50 paise or more shall be treated as one rupee and any amount less than 50 paise shall be ignored.

[MOF (DEA) Notification No.GSR 587(E) dated 25.7.2003]

(3) No interest shall be allowed on an account for any month in which the balance at credit is below Fifty rupees at any time between the tenth and last date of the month.

(4) No interest shall be allowed on an account for any year in which the amount of interest for the year is less than one rupee.

(5) Omitted.

[MOF (DEA) Notification No.GSR286 (E) dated 13.5.2005]

(6) No interest shall be allowed on a security deposit account after the expiry of three months from the first day of the month in which the amount secured has been withdrawn by the pledgee or the pledger has authorised repayment of such amount to the pledger, as the case may be.

(7) If an account is closed in the course of a year, interest shall be allowed upto the end of the month preceding the month in which the account is closed.

(8) In the event of death of a depositor, the interest in his account shall be allowed only till the end of the month preceding the month in which notice is issued to the person or persons recognised by the Post Office Savings Bank as entitled to receive the balance in the said account.

(9) Notwithstanding anything contained in this rule-

(a) Deposits in an account other than an individual accounts shall not earn interest after 31<sup>st</sup> December 2005.

(b) The interest in an account other than individual account closed on or before 31<sup>st</sup> December 2005 through withdrawal or refund shall also be allowed for the month in which the account is closed on pro-rata basis.

[MOF (DEA) Notifications No.GSR 509(E) dated 27.7.2005]

**7. Confirmation of balance** - The depositor shall present his pass book as soon as possible after 31<sup>st</sup> day of March to the Post Office Savings Bank where his account stands, for addition of interest and confirmation of balance at credit in the account and if the pass book is not so presented by the depositor or collected by him from the Post Office Savings Bank within three months of its presentation it may entail acceptance by the depositor of balance as appearing in the books of the Post Office Savings Bank as final.

## **8. Silent Account-**

(1) An account in which a deposit or withdrawal has not taken place for three complete years, shall be treated as a silent account.

(2) Transaction in respect of silent account shall be allowed as per the instructions issued by the Ministry from time to time.

(3) In respect of silent accounts having balance below the stipulated minimum for an account not having cheque facility, service charge of Rs.20 shall be deducted on the last working day of each financial year. The account holder shall be reminded through a notice to reactivate the account.

(4) If the account holder fails to reactivate the account despite giving notice as in (3) above, service charge will continue to be levied and the account holder shall be reminded through a notice every time. After deduction of service charge if the balance becomes nil, the account will stand automatically closed. The account holder will be notified when the account is closed.

[Rule amended vide MOF (DEA) Notification No.GSR 431(E) dated 14.6.2002]

## **9. Final withdrawal on closure:-**

(1) Except as provided in sub-rule (2), final withdrawal on closure of an account shall be allowed at a Sub-Savings Bank, Extra Departmental Sub-Savings Bank or Branch Savings Bank, only after obtaining the sanction of the relevant Head Savings Bank.

(2) When payment of the interest is not involved, final withdrawal on closure of an account may be allowed by a Sub- Savings Bank without obtaining the prior sanction of the Head Savings Bank.

**10. Supply of Savings Bank ledger copy -** A depositor may, on payment of a fee of two rupees for every thirty entries or part thereof, obtain copy of his savings account as appearing in the ledger of the Post Office Savings Bank for any period for which such ledger is available.

## **11. Repeal and Savings.**

(1) The provisions of the Post Office Savings Bank Rules 1881, which are in force and the Post Office Savings Bank Rules, 1965 are hereby repealed.

(2) Notwithstanding such repeal anything done or any action taken under the rules so repealed shall be deemed to have been done or taken under the corresponding provisions of these rules or the Post Office Savings Bank General Rules, 1981.