

NATIONAL SAVINGS (MONTHLY INCOME ACCOUNT) SCHEME

(Notified vide G.S.R. 917(E) dated 12/12/2019 and further amended vide G.S.R. 286(E) dated 05/05/2020)

G.S.R.917 (E).- In exercise of the powers conferred by section 3A of the Government Savings Promotion Act, 1873 (5 of 1873), the Central Government hereby makes the following Scheme, namely:-

1. Short title and commencement.-(1) This Scheme may be called the National Savings (Monthly Income Account) Scheme, 2019.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.-(1) In this Scheme, unless the context otherwise requires,-

(a)“account” means an account opened under this Scheme;

(b) “account holder” means an individual in whose name the account is held;

(c) “Act” means The Government Savings Promotion Act, 1873 (5 of 1873);

(d) “Form” means forms appended to this Scheme;

(e) “General Rules” means the Government Savings Promotion General Rules, 2018;

(f) “year” means a period of twelve months commencing from the date of deposit in the account.

(2) Words and expressions used herein but not defined shall have the meanings respectively assigned to them in the Act and in the General Rules.

3. Opening of account.-(1) The account may be opened by making an application in Form-1 by-

(i) a single adult;

(ii) upto a maximum of three adults in joint names;

(iii) a minor who has attained the age of ten years;

(iv) a guardian on behalf of a minor or a person of unsound mind.

(2) An individual may open and operate one or more than one account as a single account or a joint account under this Scheme subject to the ceiling of maximum deposit limit as prescribed in sub-paragraph (2) of paragraph 4.

For the purpose of maximum deposits specified under sub-paragraph (2), the account holder’s share in the balance of a joint account shall be taken as one half or one third of such balance as if the account is held by two adults or three adults.

4. Deposits and withdrawals.- (1) The account shall be opened with a minimum deposit of one thousand rupees or any sum in multiple of one thousand rupees and there shall be only one deposit in an account.

(2) A maximum of rupees four lakh fifty thousand rupees can be deposited in a single account, account opened under clause (iii) and (iv) of paragraph 3 and nine lakhs rupees in a joint account.

(3) Deposits in all the accounts taken together for an individual shall not exceed four lakh fifty thousand rupees in a single account and nine lakh rupees in a joint account.

5. Interest on deposit.- (1) The deposit made under this Scheme between 12th December, 2019 to 31st March, 2020 (both days inclusive) shall bear interest at the rate of 7.6 per cent. per annum.

(1A) The deposit made under this Scheme on or after the 1st day of April, 2020 shall bear interest at the rate of 6.6 per cent. per annum.

Sub paragraph (1) amended and sub paragraph (1A) inserted vide G.S.R. 286(E) dated 05/05/2020

(2) Interest shall be payable to the account holder on completion of a month from the date of deposit.

(3) If the interest payable every month is not claimed by the account holder such interest shall not earn any additional interest.

(4) Interest shall be rounded off to nearest multiple of one rupee and for this purpose any amount of fifty paise or more shall be treated as one rupee and any amount less than fifty paise shall be ignored.

(5) Where a deposit in excess to the ceiling specified under sub-paragraph (2) of paragraph 4 has been made, the accounts office shall refund the excess deposit to the account holder immediately.

(6) The excess amount referred to in sub-paragraph (5), shall carry an interest at the rate applicable from time to time to the Post Office Savings Account and shall be payable to such depositor on such amount.

(7) The interest referred to in sub-paragraph (6) shall be admissible from the date of deposit of the excess amount till the end of the month preceding the month in which the deposit has been refunded.

(8) If the date of payment of monthly interest falls on Sunday or a holiday, the payment shall be deemed to be due on the business day immediately preceding that Sunday or a holiday.

(9) If the deposit is made on 29th, 30th and 31st of a month and if these dates do not come in the following month, the payment of monthly interest shall be made on the last date of the following month and if such last day is a holiday, monthly interest shall be paid on the preceeding day.

6. Premature closure of account.- The account holder may be permitted to withdraw the deposit and close the account at any time after expiry of a period of one year from the date of opening of such account by making an application in Form-2, subject to the conditions that,-

(i) if the account is closed on or before the expiry of three years from the date of opening of such account, an amount equal to two per cent. of the deposit shall be deducted and the remainder shall be paid to him; and

(ii) If the account is closed after the expiry of three years from the date of opening of such account, an amount equal to one per cent. of the deposit shall be deducted and the remainder shall be paid to him.

7. Closure of account.- (1) The deposit made at the time of opening of the account and the interest accrued thereupon, shall be paid by the accounts office after completion of five years from the date of the opening the account to the account holder on an application in Form-3.

(2) In case the account holder dies before the maturity of the account, the account may be closed and the deposit shall be refunded as per provisions of the General Rules, alongwith interest upto the month preceeding the month in which refund is made.

8. Application of General Rules.- The provisions of the General Rules shall, so far as may be, apply in relation to the matters for which no provision have been made in this Scheme.

9. Power to relax.- Where the Central Government is satisfied that the operation of any of the provisions of this Scheme causes undue hardship to the depositor, it may by order, for reasons to be recorded in writing, relax the requirements of that provision in a manner not inconsistent with the provisions of the Act.