

# SENIOR CITIZENS' SAVINGS SCHEME

(Notified vide G.S.R. 916(E) dated 12/12/2019 and further amended vide G.S.R. 287(E) dated 05/05/2020)

**G.S.R.916 (E).**- In exercise of the powers conferred by section 3A and section 15 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 Senior Citizens' Savings Scheme, 2019.

(2) It shall come into force on date of its 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 assigned to them in the Act and the General Rules.

**3. Opening of account.**-(1) An individual fulfilling the following conditions may open an account by making an application in Form-1 to the accounts office, namely:-

(i) who has attained the age of sixty years on the date of opening of the account; or

(ii) who has attained the age of fifty-five years or more but less than sixty years, and who has retired on superannuation or otherwise on the date of opening of an account under this Scheme, subject to the condition that the account is opened by such individual within one month of the date of receipt of the retirement benefits and proof of date of disbursal of such retirement benefit(s) along with a certificate from the employer indicating the details of retirement on superannuation or otherwise, retirement benefits, employment held and period of such employment with the employer, is attached with the application form:

Provided that the retired personnel of Defence Services (excluding Civilian Defence employees) shall be eligible to open an account under this Scheme on attaining the age of fifty years subject to the fulfilment of other specified conditions.

(2) The successor or legal heir of deceased serving personnel shall not be eligible to deposit the terminal benefits of such deceased personnel under this Scheme.

(3) An account holder may operate more than one account under this Scheme subject to the condition that the deposits in all the accounts taken together shall not exceed the maximum limit as specified under paragraph 4.

(4) An individual may open an account in individual capacity, or jointly with spouse.

(5) In case of a joint account, the age of the first account holder shall be considered to determine the eligibility to open the account and there shall be no age-limit for the second applicant.

(6) The whole amount of deposit in a joint account shall be attributable to the first account holder only.

(7) Both the spouses can open single account and joint accounts with each other with the maximum deposit of upto fifteen lakhs rupees in each account provided both are individually eligible to open the account.

**4. Deposit.-** (1) The account shall be opened with a minimum deposit of one thousand rupees or any sum in multiples of one thousand rupees not exceeding fifteen lakh rupees:

Provided that the deposits in the account specified under clause (ii) of sub-paragraph (1) of paragraph 3, shall be restricted to the retirement benefits received, or fifteen lakh rupees, whichever is lower.

*Explanation.-* For the purposes of this sub-paragraph, “retirement benefits” means any payment due to the account holder on account of retirement on superannuation or otherwise and includes Provident Fund dues, retirement or superannuation gratuity, commuted value of pension, cash equivalent of leave, savings element of Group Savings Linked Insurance Scheme payable by the employer on retirement, retirement-cum-withdrawal benefit under the Employees’ Family Pension Scheme and ex-gratia payments under a voluntary or a special voluntary retirement scheme.

(2) There shall be only one deposit in the account.

(3) Where a deposit in excess to the ceiling specified under sub-paragraph (1) has been made, the accounts office shall, refund the excess deposit to the account holder immediately.

**5. Interest on deposit.-** (1) The deposit made under this Scheme between 12<sup>th</sup> December, 2019 to 31<sup>st</sup> March, 2020 (both days inclusive) shall bear interest at the rate of 8.6 per cent. per annum.

(1A) The deposit made under this Scheme on or after the 1<sup>st</sup> day of April, 2020 shall bear interest at the rate of 7.4 per cent. per annum.

**Sub paragraph (1) amended and sub paragraph (1A) inserted vide G.S.R. 287(E) dated 05/05/2020**

(2) Interest shall be payable from the date of deposit to 31<sup>st</sup> March/30<sup>th</sup> June/30<sup>th</sup> September/31<sup>st</sup> December on first working day of April/July/October/January, as the case may be, in the first instance and thereafter interest shall be payable on first working day of April/July/October/January as the case may be.

(3) If so authorised by the account holder, interest payable on the due dates as specified in sub-paragraph (2), shall be credited to the account holder’s savings account.

(4) If the interest payable every quarter is not claimed by an account holder, such interest shall not earn additional interest.

(5) Any amount of interest in fraction of a rupee shall be rounded off to the nearest 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.

(6) The excess amount referred to in sub-paragraph (3) of paragraph 4, shall carry interest at the rate applicable from time to time to the Post Office Savings Account and such interest shall be payable from the date of deposit of excess amount to the date of refund.

(7) In case of an account extended after maturity under sub-paragraph (1) of paragraph 8, the deposit in such account shall earn interest at the rate applicable to the Scheme on the date of maturity.

(8) Interest at the rate applicable to the Post Office Savings Account shall be payable on deposits in the account which are not extended as per provision of paragraph 8 or closed on maturity or extended maturity.

(9) The interest for any period less than a quarter (as specified under the Scheme) shall be calculated as per the following formula:-

Number of days in the period x Interest for the quarter

Total number of days in the quarter

(10) If the interest is not claimed on the due date, it can be claimed on any date after the due date.

**6. Premature closure of account.-** (1) The account holder may withdraw the deposit and close the account at any time on an application in Form-2 subject to the following conditions, namely:-

(i) In case, the account is closed before one year after the date of opening of account, interest paid on the deposit in the account shall be recovered from the deposit and the balance shall be paid to the account holder.

(ii) In case the account is closed after the expiry of one year but before the expiry of two years from the date of its opening, an amount equal to one and a half per cent. of the deposit shall be deducted and the balance shall be paid to the account holder.

(iii) In case the account is closed on or after the expiry of two years from the date of its opening, an amount equal to one per cent. of the deposit shall be deducted and the balance shall be paid to the account holder.

(2) The account holder availing the facility of extension of account under sub-paragraph(1) of paragraph 8, may withdraw the deposit and close the account at any time after the expiry of one year from the date of extension of the account without any deduction.

(3) In case of premature closure, interest on the deposit shall be payable upto the date preceding the date of premature closure after deduction of penalty as specified in sub-paragraph(1).

(4) Multiple withdrawals from an account shall not be permitted.

**7. Closure of account.-** (1) The deposit made at the time of opening of the account shall be paid on or after the expiry of five years or after the expiry of eight years where account was extended under paragraph 8 from the date of the opening of the account, on an application in Form-3.

(2) In case of death of the account holder before maturity or extended maturity, the account shall be closed and deposit refunded on an application in Form-3 along with interest as applicable to this Scheme till the date of the death of the account holder, to the nominee or the legal heirs, as the case may be:

Provided that interest on the deposits in the account shall earn interest at the rate applicable on Post Office Savings Account from the date of death of the account holder till the date of final closure of the account:

Provided further that in case of a joint account, or where the spouse is the sole nominee, the spouse may continue the account on the same terms and conditions as specified under this Scheme, if the spouse meets eligibility conditions under the Scheme on the date of death of the account holder.

(3) Where both the spouses have opened separate account or accounts under this Scheme and either of the spouses dies during the currency of such account or accounts, then such account or accounts standing in the name of the deceased account holder shall not be continued in accordance with the first proviso of sub- paragraph (2) and shall be closed.

**8. Extension after maturity.-** (1)The account holder may extend the account for a further period of three years by making an application in Form-4 within a period of one year from the date of maturity.

(2) The extension of the account under sub-paragraph (1) shall be deemed to have been made from the date of maturity irrespective of the date of application.

(3) Extension of an account under sub-paragraph (1) shall be available only once.

(4) The account holder may close the account any time after one year from the date of extension of account without any deduction under sub-paragraph (1) of paragraph 6.

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

**10. Power to relax.-** Where the Central Government is satisfied that the operation of any of the provisions in this Scheme causes undue hardship to the account holder, 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.