

Small Saving Schemes

POST OFFICE SAVINGS ACCOUNTS

- Account can be opened by** : A single adult or two/three adults jointly,
A minor who has attained age of 10 years, or a guardian on behalf of minor
A pensioner to receive/credit his monthly pension,
Group Accounts by Provident Fund, Superannuating Fund or Gratuity Fund,
Public Account by a local authority/body,
An employee, contractor, or agent of a government or of a government company or of a university for depositing security amounts,
A gazetted officer or an officer of a government company or corporation or Reserve Bank of India or of a local authority in his official capacity.
A cooperative society or a cooperative bank for payment of pay, leave salary, pension contribution of government servants on deputation with such society or bank.
- Deposits** : Account can be opened with a
- Minimum of Rs.20.
- Maximum of Rs. One Lakh for single holder and Rs.Two lakhs for joint holders.
If depositors have more than one account (single, pension or joint), the balances or shares of balances in all such accounts taken together should not exceed Rs. One Lakh for each of the depositors.
- Maturity period** : There is no lock-in / maturity period prescribed
- Withdrawal** : Any amount subject to keeping a minimum balance of Rs.50 in simple and Rs.500 for cheque facility accounts.
- Interest** : Interest at the rate(s) 'as decided by the Central Government from time to time', is calculated on monthly balances and credited annually. Current interest rate is 3.5% pa.
- Nomination** : Nomination facility is available.
- Pass Book** : Depositor is provided with a pass book with entries of all transactions duly stamped by the post Office.
- Salient Account** : An account, not operated during three complete years, shall be treated as 'Silent Account'. A service charge @ Rs. 20 per year is charged on the last day of each year until it is reactivated. In a silent account from which after deduction of service charge, the balance becomes NIL, the account stands automatically closed.
- Income Tax benefit** : Interest income is exempted from income tax u/s 10 of IT Act.