

Small Saving Schemes

POST OFFICE TIME DEPOSIT ACCOUNTS

Types of Accounts : 1, 2, 3 & 5 Year maturity,

Account can be opened by

1. A single adult or two adults jointly,
2. A minor who has attained age of 10 years, or a guardian on behalf of minor
3. A pensioner to receive/credit his monthly pension,
4. Group Accounts by Provident Fund, Superannuation Fund or Gratuity Fund, Authority controlling funds of the Sanchayika.
5. Public Account by a local authority/body,
6. Institutional Accounts by the Treasurer of Charitable Endowments for India, Trust Regimental Fund & Welfare Fund,
7. A cooperative society / cooperative bank or scheduled bank on behalf of its members, clients or employees
8. Gazetted Officer in his official capacity.

Mode of account Holding

- : A Time Deposit Account (TDA) can be opened by
- a. an individual adult as a single person account,
 - b. two adults in a joint mode,
 - c. by a guardian on behalf of the minor who has attained the age of 10 years
 - d. the guardian of a person of a person of unsound mind in his own name.

A depositor can have more than one account in his name or jointly with another, either in the same post office or in different post offices

Deposits

- : A deposit with a minimum of Rs. 200 with no maximum limit.

Transferability

- : A TD account is transferable from one person to another, and the transfer has to be made through the post office.

Maturity period

- : The deposited amount is repayable after expiry of the period for which it is made viz: 1 year, 2 years, 3 years or 5 years.

Interest

- : Interest is calculated on quarterly compounding basis but is payable annually. Interest rates applicable w.e.f. the 1st day of March, 2003 are :

Period of deposit	Rate of Interest per cent / per annum
1 Year	6.25%
2 Year	6.50%
3 Year	7.25%
5 Year	7.50%

Nomination

- : Nomination facility is available.

Pass Book

- : Depositor is provided with a pass book with entries of the deposited amount and other particulars duly stamped by the post office.

Income Tax benefit

- a. No TDS is deducted.
- b. Tax exemption u/s 80C for 5 year term deposit.

Premature withdrawal

- : No deposit may be withdrawn before 6 months of the date of deposit. If the amount is withdrawn before one year of the date of deposit, no interest would be payable. In case of withdrawal after one year of the date of deposit, the interest rate paid is 2% less than the rate specified for the period for which the deposit has been held.