

## **Senior Citizens Savings Scheme Rules, 2004**

### CONTENTS

1. Short title and commencement
2. Definitions
3. Opening of account
4. Deposits and withdrawals
5. Mode of deposit
6. Nomination
7. Interest on deposit
8. Closure of account
9. Premature closure of account
10. Passbook
11. Transfer of account from one Deposit Office to another
12. Account opened in contravention of rules
13. Deposits by Non-Resident Indians (NRIs) and Hindu Undivided Families (HUF)
14. Power to relax

## **Senior Citizens Savings Scheme Rules, 2004**

In exercise of the powers conferred by Section 15 of the Government Saving Banks Act, 1873 (5 of 1873), the Central Government hereby makes the following rules, namely:-

### **1. Short title and commencement :-**

- (1) These rules may be called the Senior Citizens Savings Scheme Rules, 2004 .
- (2) They shall come into force on the 2nd day of August, 2004.

### **2. Definitions :-**

In these rules, unless the context otherwise requires:

- (a) 'Account' means a savings account opened by the depositor in accordance with the provisions of these rules;
- (b) 'Act' means the Government Savings Banks Act, 1873 (5 of 1873);
- (c) 'deposit' means the money deposited in an account under the provisions of these rules;

(d) 'Depositor' means an individual

(i) who has attained the age of 60 years or above on the date of opening of an account under the provisions of these rules, and by whom, or on whose behalf, money is deposited in an account under these rules, or

"(ii) who has attained the age of 55 years or more but less than 60 years, and who has retired on superannuation or otherwise on the date of opening of an account under these rules, 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 disbursement of such retirement benefit (s) along with a certificate from the employer indicating the fact of retirement on superannuation or otherwise, retirement benefits, employment held and period of such employment with the employer is attached with the application form in Form-A :

Provided that the persons who have retired at any time before the commencement of these rules and attained the age of 55 years or more on the date of opening of an account under these rules, shall also be eligible to subscribe under the scheme within a period of one month of the date of this notification, subject to the fulfilment of other specified conditions :

Provided further that the retired personnel of Defence Services (excluding civil Defence employees) shall be eligible to subscribe under the scheme irrespective of the above age limits subject to the fulfilment of other specified conditions.";

(e) "Deposit Office" means, (i) any post office in India doing savings bank work and authorised by Director General Postes, to open an account under these rules, or (ii) an office or branch of a banking company, or any other company or institution authorised by the Central government to receive subscriptions under the Public Provident Fund Scheme.'

(f) 'Form' means a form appended to these rules.

### **3. Opening of account :-**

(1) Any depositor may open an account at any Deposit Office by making an application in Form-A along with the amount of deposit as per the pay-in-slip in Form-D, duly filled in, along with age proof.

(2) A depositor may operate more than one account under these rules subject to the condition that the deposits in all accounts taken together shall not exceed the maximum limit as specified under Rule 4 :

Provided that more than one account shall not be opened in the same Deposit Office during a calendar month.

(3) A depositor may open the account in individual capacity or jointly with spouse.

#### **4. Deposits and withdrawals :-**

(1) There shall be only one deposit in the account in multiple of one thousand rupees not exceeding Rupees Fifteen lakh. 'Provided that deposits by depositors under sub-rule (ii) of Rule 2, shall be restricted to the retirement benefits received by them or Rupees fifteen lakh, whichever is lower. Explanation.- For the purposes of this sub-rule, "retirement benefits" means any payment due to the depositor on account of retirement whether on superannuation or otherwise and includes Provident Fund dues, retirement/superannuation gratuity, commuted value of pension, cash equivalent of leave, savings element of group Savings linked Insurance Scheme payable by-employer to the employee on retirement, retirement-cum-withdrawal benefit under the Employees' family Pension Scheme and ex gratia payments under a voluntary retirement or a special voluntary retirement scheme.'

(2) Except as provided in Rule 9, no withdrawal shall be permitted under these rules before the expiry of a period of five years from the date of opening of an account.

(3) The depositor may extend the account for a further period of three years by making an application in Form-B to the. Deposit Office within a period of one year after the maturity period of five years as specified in sub-rule (2).

Explanation. Extension of account under this sub-rule shall be deemed to have been made from the date of maturity irrespective of the date of application.

(4) A Deposit Office shall, as soon as it comes to the notice that a deposit exceeds the ceiling prescribed under sub-rule (1), request the depositor in writing, to withdraw the excess deposit immediately.

## **5. Mode of deposit :-**

(1) The deposit under these rules may be made:

(a) in cash, if the amount of deposit is less than Rupees One lakh.

(b) by cheque or demand draft drawn in favour of the depositor and endorsed in favour of the Deposit Office, or in favour of the Deposit Office.

(2) Where a deposit is made by cheque or demand draft, the date of deposit under these rules shall be the date of encashment of the cheque or demand draft.

(3) Where a deposit is made by means of an outstation cheque or demand draft, collection charges at the prescribed rate shall be payable along with the deposit and the date of realisation of the cheque or demand draft shall be the date of deposit.

## **6. Nomination :-**

(1) The depositor may at the time of opening of the account under these rules, nominate a person or persons who, in the event of death of the depositor, shall be entitled to payment due on the account.

(2) If such nomination is not made at the time of opening of the account, it may be made by the depositor at any time after the opening of the account but before its closure, by an application in Form-C, accompanied by the passbook to the Deposit Office.

(3) The nomination made by the depositor may be cancelled or varied by a fresh nomination in Form-C to the Deposit Office in which the account stands.

(4) Nomination facility shall be available in the case of joint account also. However, in such case, the joint holder will be the first person entitled to receive the amount payable in the event of death of the depositor and the nominee's claim shall arise only after the death of both the depositor and the joint holder.

Explanation. In case of joint account or where the sole nominee is the spouse, the spouse may continue the account in accordance with the proviso below sub-rule (3) of Rule 8.

(5) In case of a joint account or where the spouse is the sole nominee, the spouse shall also be eligible to make, cancel or vary

the nomination made earlier, after the death of the depositor, in accordance with sub-rule (2) to (4).

(6) Every nomination and every cancellation or variation thereof shall be registered in the Deposit Office and shall be valid from the date of such registration, the particulars of which shall be entered in the passbook.

## **7. Interest on deposit :-**

(1) The deposit made under these rules shall bear interest at the rate of nine per cent per annum from the date of deposit.

(2) Interest shall be payable from the date of deposit to 31st March/30th June/30th September/31st December as the case may be, in the first instance and thereafter, interest shall be payable on 31st March, 30th June, 30th September and 31st December.

(3) In case any of the dates of interest payment, specified under sub-rule (2), fall on a Sunday or a holiday, the previous working day shall be deemed to be the due date for the purpose of interest payment.

(4) If so authorised, interest payable on the due dates as specified in sub-rule (2), shall be credited to the depositor's savings account in the Deposit Office in which the account exists subject to the condition that by so credit of the interest amount, the maximum limit of balance, if any, in the savings account, is not exceeded.

(5) If the interest payable every quarter is not claimed by a depositor, such interest will not earn additional interest.

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

(7) The excess amount referred to in sub-rule (4) of Rule 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 end of the month preceding the month in which the Deposit Office requests the depositor to withdraw the excess amount; the amount of excess interest, if any, already paid to the depositor, shall be deducted.

(8) In case of an account, continued after maturity under sub-rule

(3) of Rule 4, the deposit in such account shall earn interest at the rate applicable to the new accounts opened or to be opened under the provisions of these rules on the date of maturity.

(9) In case of an account which is not extended on maturity and closed at any time as per provisions of sub-rule (2) of Rule 8, post maturity interest at the rate, as applicable to the deposits under the Post Office Savings Account from time to time, shall be payable on such matured deposits, up to the end of the month preceding the month of closure of the account.

## **8. Closure of account :-**

(1) The deposit made at the time of opening of account shall be paid by the Deposit Office at which the account stands to the depositor on or after expiry of five years from the date of the opening of the account on production of the passbook accompanied by a written application (withdrawal form) in Form-E.

(2) In case the depositor does not close the account on maturity as specified under sub- rule (1), and also does not extend the account under sub-rule (3) of Rule 4, the account shall be treated as matured and the depositor will be entitled to close the account at any time subject to the condition that post maturity interest as prescribed under sub-rule (9) of Rule 7, shall only be admissible for the period beyond maturity.

(3) In case of death of a depositor before maturity, the account shall be closed and deposit refunded on an application in Form-F, along with interest till the end of the month preceding the month in which refund is made, to the nominee or legal heirs in case the nominee has also expired or nomination, as provided in Rule 6, was not made, as the case may be:

Provided 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 these rules:

Provided further that in case the spouse does not continue the joint account, the account shall be closed on an application in Form-F and the deposit refunded along with interest as above.

"Provided also that where both the spouses have opened separate accounts under the scheme, and either of the spouses dies during the currency of the account (s) under the scheme, the account (s)

standing in the name of the deceased depositor/spouse shall not be continued in accordance with the first proviso and such accounts shall be closed."

(4) Where there is no nomination in force at the time of death of the depositor, the amount standing to the credit of the deceased depositor shall be paid by the Deposit Office to the legal heirs of the deceased depositor on receipt of an application in Form-F along with a certificate of death of the depositor and a succession certificate or Letter of Administration with attested copy of probated will of the deceased depositor issued under the provisions of the Succession Act, 1925 (39 of 1925):

Provided that the total amount including interest, payable up to Rupees One lakh may be paid to the legal heirs on production of (i) a letter of indemnity, (ii) an affidavit, (iii) a letter of disclaimer on affidavit, and (iv) a certificate of death of the depositor on stamped paper, in the forms as in Annexures to Form-F.

(5) No deduction, as specified under Rule 9, shall be made in case of premature closure of an account at any time due to death of a depositor.

#### **9. Premature closure of account :-**

(1) Notwithstanding anything contained in sub-rule (2) of Rule 4, on an application in Form-E, in this regard, the depositor may be permitted to withdraw the deposit and close the account at any time after the expiry of one year from the date of opening of the account subject to the following conditions, namely:

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

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

(2) The depositor availing the facility of extension of account under sub-rule (3) of Rule 4, may be permitted to 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.

## **10. Passbook :-**

(1) On opening of an account, the depositor shall be given a passbook immediately, along with the depositor's copy of the pay-in-slip (Form-D) duly stamped and signed by the Deposit Office in token of having received the amount of deposit. The passbook shall bear the date of opening of account, the number of the account, the depositor's name, photograph (also name and photograph of the spouse in case of joint account) and address, the amount deposited, the quarterly interest payable along with due dates of payment, the date on which the deposit will be due for final payment, the name(s) of the nominee(s) and agent's name, agency code number, date and validity, in case the account has been introduced through an agent:

Provided that if the deposit is made by means of a cheque or a demand draft, the passbook shall be given to the depositor only on the date of deposit after encashment of the cheque or demand draft as provided under sub-rule (2) of Rule 5.

(2) The depositor availing of the facility of credit of interest in savings account under sub-rule (4) of Rule 7, shall present the passbook to the Deposit Office at least once in a year for completion of entries.

(3) The depositor not availing of the facility of credit of interest in savings account under sub-rule (4) of Rule 7, shall present the passbook to the Deposit Office at the time of collecting interest every quarter.

(4) In case of original passbook being lost, or mutilated or damaged, a duplicate passbook may be issued on payment of a fee of Rupees Ten in case of issue of first duplicate passbook and Rupees Twenty in case of any subsequent issue, on a simple application on plain paper. The issue of duplicate passbook(s) shall be noted by the Deposit Office in its office records including the ledger folio bearing particulars of the account.

(5) In case the lost passbook is found after issue of a duplicate passbook, it shall not be treated as valid for any purpose and shall be surrendered immediately to the Deposit Office who shall destroy the same immediately in presence of the depositor.

## **11. Transfer of account from one Deposit Office to another :-**

A depositor may apply on Form-G, enclosing the passbook thereto, for transfer of his account from one Deposit Office to another in case of change of residence :

Provided that where the deposit is Rupees One lakh or above, a transfer fee of Rupees Five per lakh of deposit shall be payable.

**12. Account opened in contravention of rules :-**

Whenever it comes to notice that an account has been opened in contravention of these rules, the account shall be closed immediately and the deposit in the account, after deduction of the interest, if any, paid on such deposit, shall be refunded to the depositor.

**13. Deposits by Non-Resident Indians (NRIs) and Hindu Undivided Families (HUF) :-**

(1) The Non-Resident Indians are not eligible to open an account under these rules:

Provided that if a depositor who subsequently becomes a Non-Resident Indian during the currency of the account under these rules, the account may continue till its maturity on a non-repatriation basis and the account shall be marked as a Non-Resident account:

Provided further that the account continued under the above proviso, shall not be extended for any further period as provided under sub-rule (3) of Rule 4.

(2) Hindu Undivided Family is also not eligible to open an account under these rules.

**14. Power to relax :-**

Where the Central Government is satisfied that the operation, of any of the provisions of these rules, 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.