

Social Security Certificate Rules, 1982

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Social Security Certificate Rules, 1982

G.S.R- 259(E),-In exercise of the powers conferred by section 12 of the Government Savings Certificates Act, 1959 (46 of 1959), the Central Government hereby makes the following rules, namely: -

1. Short title, commencement and application :-

(1) These rules may be called the Social Security Certificates Rules, 1982.

(2) They shall come into force on the 1st day of June, 1982.

(3) They shall apply to the Social Security Certificates.

2. Definitions :-

In these rules, unless the context otherwise requires-

(i) "Act" means the Government Saving Certificates Act, 1959 (46 of 1959);

(ii) "Certificate" means the Social Security Certificate;

(iii) "postal Circle" means the post offices under the administrative authority of a Postmaster General or the Director, Army Postal Services.

(iv) "co-operative society" means a society registered or deemed to have been registered under the Co-operative Societies Act, 1912 or under any other law for the time being in force;

(v) "Corporation" means a corporation established by or under any law for the time being in force, but does not include a company;

(vi) "Form" means a form appended to these rules;

(vii) "Government company" means a company as defined in S.617 of the Companies Act 1956;

(viii) "identity slip" means an identity slip issued to a holder of a certificate under rule 11;

(ix) "local authority" means a municipal corporation, municipal committee, district board, body of post commissioners or other authority legally entitled to or entrusted by the Government with the control or management of a municipal or local fund;

(x) "old certificate" means a certificate issued under the Post Office Savings Certificates Rules, 1960, or the National Savings Certificates (First Issue) Rules, 1965, or the National Savings Certificates (CIV Issue) Rules, 1970 or the National Savings Certificates (V Issue) Rules, 1973, or the National Savings Annuity Certificates Rules, 1976, or the National Savings Certificates (VI Issue) Rules, 1981, or the National Savings Certificates (VII Issue) Rules, 1981, or a Bond issued under the National Development Bonds Rules, 1977;

(xi) "post office" means any post office in India doing Savings Bank work."

3. Denominations in which certificates shall be issued :-

The certificates shall be issued in denominations of Rs. 500 and Rs. 1000.

4. Maturity period :-

The maturity period of a certificate shall be 10 years from the date of issue of certificate under rule 8.

5. Procedure and conditions for purchase of certificate :-

A certificate may be purchased by any person in his name by presenting at a post office on or after the 1st day of June, 1982, an application in Form 1 (obtained free of cost at all post offices) either in person or through an authorised agent of small savings schemes, subject to the following conditions, namely:-

(a) The applicant shall as on the date of presentation of his application to the post office, be not less than 18 years of age and not more than 45 years of age.

(b) the applicant shall be in good health and shall not, during the period of three years proceeding the date of application, have suffered from asthma, pneumonia, spitting of blood, tuberculosis, high or low blood pressure, rheumatic fever, diabetes, Jaundice, any disease of kidney, prostate or urinary system, paralysis, insanity epilepsy fits of any kind or nervous break-down or any other disease of the brain or nervous system, cancer leprosy, rheumatism, tumour, or venereal disease, or undergone any surgical operation which has resulted in the applicant's hospitalisation for more than ten days;

(c) where a proposal of insurance on the applicant's life has been made at any time to the Life Insurance Corporation of India or under the Postal Life Insurance scheme, such proposal shall not have been rejected, by the said Corporation or under the said scheme ;

(d) the application in Form 1 shall be complete in all respects, and shall be accompanied by the documents as specified in the said Form and bear the signature of the applicant or his thumb-impression, if he is illiterate, which shall be affixed by him in the presence of an authorised person and no addition, deletion or modification in any manner shall be made in the declarations

contained in the said Form save as other wise directed therein.

(e) the application shall be accompanied by payment of face value of the certificated applied for ;

(f) details of any certificate already purchased under these rules by the applicant shall be furnished by him

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6. Limit on holding of certificates :-

No person shall purchase or hold at any time certificates for an aggregate face value which exceeds Rs 5000.

7. Legal Tender :-

Payment for the purchase of a certificate may be made to a post office in any of the following modes, namely :

(i) cash;

(ii) a cheque, pay order or demand draft ;

(iii) duly signed withdrawal from together with the pass book for withdrawal from the post office savings account ;

(iv) surrender of a matured old certificate duly discharged as follows "Received payment through issue of fresh certificate vide application attached".

8. Issue of certificates :-

(1) On payment being made under rule 7, except where payment is made by a cheque, pay order or demand draft, a certificate shall normally be issued, immediately, and the date of such certificate shall be the date of such payment.

(2) Where payment for the purchase of a certificate is made .by a cheque, pay order or demand draft, the certificate shall not be issued before the proceeds of the cheque, pay order or demand draft, as the case may be are realised and the date of such certificate shall be the date of encashment of the cheque, pay order or demand draft, as the case may be.

(3) If for any reason a certificate cannot be issued immediately, a provisional receipt shall be given to the purchaser which may later be exchanged for a certificate and the date of such certificate shall be as specified in sub-rule (1) or sub-rule (2), as the case may be.

9. Certificate in lien of proceeds of old certificate :-

A holder of an old certificate entitled to encash that certificate may make an application in Form one for the issue of a certificate under these rules and on receipt of such application, there shall be issued to the applicant a certificate under these rules, the date of issue being the date on which the old certificate duly discharged is presented.

10. Irregular holding :-

Any certificate purchased or acquired in contravention of these rules shall be encashed by the holder as soon as the fact of the holding being in contravention of these rules is discovered and no interest shall be paid on any holding in contravention of these rules.

11. Identity slip :-

(1) If a request for the issue of an identity slip is made at any time by the holder of a certificate to the post office where the certificate stands registered, an identity slip shall be issued to such holder on his signing the identity slip.

(2) The identity slip shall be surrendered at the time of the final discharge of the certificate or in case of its loss, a declaration of such loss shall be furnished to the post office in the form laid down by the Director General, Posts and Telegraphs.

12. Transfer from one post office to another :-

A certificate may, during its maturity period, be transferred from a post office at which it stands registered, to any other post office on the holder making an application in the form laid down by the Director General, Posts and Telegraphs, at either of the two post Offices. Provided that where a reason holds more than one certificate and their maturity period has not expired, all such certificates shall be registered in a Post Office or post offices in the same postal circle.

13. Pledging of certificate :-

(1) The Postmaster of the office where a certificate stands registered may permit transfer of the certificate for being pledged as security to-

(a) the President of India or Governor of a State in his official capacity;

(b) the Reserve Bank of India or a scheduled bank or a co-operative society including a co-operative bank;

(c) a corporation or a Government company; and

(d) a local authority :

.

(2) When any certificate is transferred under sub-rule (1), the Postmaster of the office where the certificate stands registered shall make the following endorsement on the certificate, namely :- "Transferred as security to.....".

(3) Except as otherwise provided in these rules, the pledge of a certificate under this rule shall, until it is re-transferred under sub-rule(4),be deemed to be the holder of the certificate.

(4) A certificate transferred under sub-rule (2), may, on the written authority of the pledgee, be re-transferred with the previous sanction in writing of the authorised Postmaster and when any such re-transfer is made, the Postmaster of the office where the certificate stands registered shall make the following endorsement on the certificate :- "Re-transferred to.....-.....".

(5) Where as a result of several endorsements made under sub-rule (2) and (4) on a certificate, no space is left for making further endorsements of a like character on that certificate, a fresh certificate may be issued by the Postmaster of the office of registration in lieu of such certificate.

(6) A fresh certificate issued under sub-rule (5) shall be treated as equivalent to the certificate in lieu of which it has been issued for all the purposes of these rules.

14. Replacement of lost or destroyed certificate :-

(1) if a certificate is lost, stolen, destroyed, mutilated or defaced the person entitled thereto may apply for the issue of the duplicate certificate to the post office, where the certificate is registered or at any other post office in which case the application will be forwarded to the post office where the certificate stands registered

(2) Every such application shall be accompanied by-

(a) a statement showing particulars, such as, member, amount and date of the certificate and the circumstances attending such loss,

theft destruction, mutilation or defacement;

(b) identify slip, if any.

(3) If the officer in charge of the post office where the certificate stands registered is satisfied of the loss theft, destruction, mutilation or defacement of the certificate, he shall issue a duplicate certificate on the applicant's furnishing an indemnity bond in the form laid down in the Director General posts and Telegraphs with one or more approved sureties or with a bank's guarantee: Provided that where the certificate lost, stolen destroyed, mutilated or defaced is of the denomination of Rs. 500, a duplicate certificate or certificates may be issued on the applicant furnishing an indemnity bond without any such surety or guarantee : Provided further that where such application is made with respect to a certificate mutilated or defaced, of whatever face value, a duplicate certificate may be issued without any such indemnity bond, surety or guarantee, if the certificate mutilated or defaced and the identity slip, if any, are surrendered and the certificate is capable of being identified as the one originally issued.

(4) A duplicate certificate issued under sub-rule (3) shall be treated as equivalent to the original certificate for all the purposes of these rules except that it shall not be encashable at a post office other than the post office at which such certificate is registered without previous verification

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15. Nomination. :-

(1) Subject to the provisions of sub-rules (2) to (4), the holder of a certificate may, by filling in necessary particulars in Form 1 at the time of purchasing the certificate, nominate any person or persons who, in the event of death of the holder shall become entitled to the certificate and to the payment of the amount due thereon. If such nomination is not made .at the time of purchasing the certificate, it may be made by the holder at any time after the purchase of the certificate but before its maturity, by submitting an application in Form 2, together with the certificate to the Post master of the office where the certificate stands registered

(2) A nomination made by the holder of a certificate, under .this rule may be cancelled or varied by submitting an application in Form 3, together with the certificate, to the Postmaster of the post

office at which the certificate stands registered.

(3) Separate applications for nomination or cancellation of a nomination or variation of a nomination shall be made in respect of certificates registered on different dates.

(4) The nomination or the cancellation of a nomination or the variation of a nomination shall be registered in the Head Post Office concerned and the fact of registration shall be noted on the certificate and on such registration, the said nomination or cancellation or variation of nomination, as the case may be, shall be deemed to be effective from the date on which it was presented.

16. Payment on maturity :-

On the expiry of the maturity period of a certificate, its holder or, in the event of his death, his nominee, or if there is no surviving nominee, the legal heir of the holder, as the case may be, shall be entitled to receive a sum inclusive of interest of Rs. 1500 if the certificate, is of the denomination of Rs. 500 or Rs. 3000 if the certificate is of the denomination of Rs. 1000 and such interest shall accrue at the end of each year as specified in the Table below and the interest so accrued at the end of each year upto the end of the ninth year shall be deemed to have been reinvested on behalf of the holder and aggregated with the amount of face value of the certificate.

17. Premature encashment :-

(1) Notwithstanding anything contained in rule 16, a certificate may, at the option of the holder; be prematurely encashed at a discount at any time after the expiry of three years from the date of issue of the certificate and on such encashment, the amount payable to him shall be equivalent to the face value of the certificate together with simple interest thereon for the complete years and months for which the certificate has been held. Such interest shall be calculated at the rate applicable as on the date of encashment to savings accounts of the category of single accounts in the Post Office Savings Bank. The difference between the aforesaid simple interest and the interest accrued under rule 16 shall be deemed to be the discount

.

(2) Notwithstanding anything contained in sub-rule (1) and rule 16 and subject to sub-rules (3) and (4), a certificate may be

permanently encashed before the expiry of three years-

(i) on forfeiture by a pledge of the certificate, when the pledge is in conformity with rules, these, or

(ii) when ordered by a court of law.

(3) If a certificate is encashed under sub-rule (2) within a period of one year from the date of the certificate, only the face value of the certificate shall be payable and no interest shall be payable.

(4) If a certificate is encashed under sub-rule (2) after the expiry of one year but before the expiry of three years from the date of the certificate, the encashment shall be at a discount and the amount payable and discount shall be as specified in sub-rule (1).

18. Payment in the event of death of the holder during maturity, period. :-

(1) Subject to rule 21 and sub-rules (2),(3) and (4), on the death of the holder of a certificate-

(a) due to any cause, at any time after the expiry of two years from the date of issue of the certificate and before the expiry of its maturity period, or

(b) due to one or more non-natural causes at any time before the expiry of two years from the date of issue of the certificate. the nominee, or if there is no surviving nominee, the legal heir of the holder, as the case may be, shall be entitled to receive, in respect of each such certificate held by the deceased holder, payment of a sum of Rs. 1500 or Rs. 3000 according to the denomination of the certificate of Rs. 500 or Rs. 1000, as the case may be.

(2) If a doubt arises as to whether the death of the holder was or was not due to a non-natural cause other than self-injury or suicide, the certificate in Form 4 by the district collector or the district magistrate in whose jurisdiction the place of death falls shall be deemed final.

(3) Payment under sub-rule (1) shall be restricted to the certificates held by a deceased holder upto a maximum limit of aggregate face value of Rs. 5000 and in respect of any certificate held in excess of such limit by the deceased holder and not matured as on the date of his death, the face value of of such certificate shall be payable only on the expiry of its maturity period

without any interest to the nominee or legal heir of the holder, as the case may be: Provided that such face value shall be payable immediately without any interest if the certificate is presented for encashment-

(a) on forfeiture by a pledgee of the certificate when the pledge is in conformity with these rules, or

(ii) when ordered by a court of law.

(4) In case it is found that there has at any stage been a fraudulent mis-statement or suppression of information relating to the date of birth of the holder or any other material fact relevant to the issue of the certificate or payment thereon, the face value of such certificate shall be payable only on the expiry of its maturity period without any interest to the nominee or legal heir of the holder as the case may be: Provided that such face value shall be payable immediately without any interest if the certificate is presented for encashment.-

(i) on forfeiture by a pledgee of the certificate when the pledge is in conformity with these rules, or

(b) when ordered by a court of law.

(5) In cases not covered by clause (b) of sub-rule (1), on the death of the holder of a certificate at any time before the expiry of two years from the date of the certificate, the nominee or if there is no surviving nominee, the legal heir of the holder, may, at his option-

(i) encash the certificate on the expiry of its maturity period, in which case he shall be entitled to receive a sum of Rs. 1500 or 3000 according to the denomination of the certificate of Rs 500 or Rs. 1000, as the case may be; or

(ii) encash the certificate at any time before the expiry of its maturity period, in which case he shall be entitled to receive a sum equivalent to the face value of the certificate together with interest as specified in sub-rule (1) of rule 17; provided that no such interest shall be payable if the certificate is encashed before the expiry of one year from the date of the certificate.

19. Place of encashment :-

A certificate shall be encashable at the post office at which it stands registered: Provided that a certificate may be encashed at any other post office if the officer-in-charge of that post office is

satisfied on production of identity slip or on verification from the office of its registration that the person presenting the certificate for encashment is entitled thereto.

20. Discharge of certificate :-

(1) The person entitled to receive the amount due under a certificate shall, on its encashment, sign on the back thereof in token of having received the payment.

(2) A certificate of discharge may be issued by the post office to any person encashing a certificate.

21. Claims of nominees or legal heirs :-

(1) For the purpose of claiming payment of the amount due under rule 16 or rule 18, as the case may be, the nominee or legal heir of the holder shall make an application to the Postmaster of the office where the certificate stands registered and such application shall be accompanied by -

(i) certificate on which payment is claimed;

(ii) proof of death of the holder of the certificate ;

(iii) proof of death of deceased nominee, if any ;

(iv) death certificate in Form 4 signed by the district collector or the district magistrate, in cases covered by clause (b) of sub-rule (1) of rule 18.

(2) If there are more than one nominee or legal heir as the case may be, they shall give a joint discharge of the certificate at the time of receiving payment.

(3) When the nominee is a minor, the person appointed under sub-section (3) of section 6 of this Act, while encashing the certificate, shall certify that the minor is alive and the money is required on behalf of the minor.

(4) For the purpose of sub-section (4) of section 7 of the Act, the authorities named below shall be competent to sanction claims upto the limit noted against each on the death of the holder of the certificate. Without production of the probate of his will or letters of administration of his estate or succession certificate granted under the Succession Act, 1925 -

22. Encashment of certificate held by Army, Air Force and

Navy Personnel :-

Where a certificate is held by a person who is subject to the Army Act, 1950 or the Air Force Act, 1950 or the Navy Act, 1957 and such person dies or deserts, the Commanding Officer of the Corps, department, detachment, unit or ship to which the deceased or deserter belonged or the Committee of Adjustment, as the case may be, may send requisition to the officer in charge of the post office where the certificate stands registered to pay to him or it, the amount due under the certificate and the officer in charge of the post office shall be bound to comply with such requisition even though there is in force at the time of death or desertion of holder of the certificate a nomination made in favour of any person.

23. Conversion form one denomination to the other :-

(1) On an application being made in this behalf by the holder, certificates of lower denomination may be exchanged for a certificate or certificates of higher denomination of the same aggregate face value or a certificate of higher denomination may be exchanged for certificates of lower denomination of the same aggregate face value: Provided that certificates bearing different dates shall not be combined for being exchanged for certificate or certificates of higher denomination.

(2) The date of the certificate or certificates issued in exchange shall be the same as that of the original certificate or certificates surrendered and not the date on which the exchange is made.

24. Income-tax :-

Interest on the certificates shall be liable to tax under the, Income-tax Act, 1961, on the basis of the annual accrual specified in rule 6, but no tax shall be deducted at the time of payment of discharge value : Provided that any amount payable to a nominee or legal heir of a holder under sub-rule (1) of rule 18 shall not be liable to such tax.

25. Fees :-

(1) A fee of two rupees shall be chargeable in respect of the following transactions, namely :-

(i) transfer of certificate under rule 13;

(ii) issue of a duplicate certificate under sub-rule (3) of rule 14;

(iii) issue of a certificate of discharge under sub-rule (2) of, rule 20;

(iv) conversion from one denomination to another under rule 23;

(2) A fee of one rupee shall be chargeable on every application for registration of nomination, or of any variation in nomination or cancellation thereof; Provided that no fee shall be charged on an application for registration of the first nomination.

26. Responsibility of the Post Office :-

The post office shall not be responsible for any loss caused to a holder by any person obtaining possession of a certificate and fraudulently encashing it.

27. Rectification of mistakes :-

The Director General, Posts and Telegraphs, or the Postmasters General or Heads of Postal Divisions in their respective jurisdictions, may either suo moto or upon an application by any person interested in any certificate issued in pursuance of these rules, rectify any clerical or arithmetical mistakes with respect to that certificate, if it does not involve any financial loss to the Government or to any such person.

28. Recovery of Irregular payments :-

If any amount has been paid as interest or otherwise to any person save as provided in these rules, it shall be forthwith refunded to the Government failing which the Government shall be entitled to recover the amount from any money payable by the Government to such person or as an arrear of land revenue.

29. Interpretation :-

If any question arises relating to the interpretation of these rules, it shall be referred to the Central Government for a decision.

30. 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 holder of a certificate or his nominee or legal heir, as the case may be, 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