

DEPOSIT SCHEME FOR RETIRING EMPLOYEES OF PUBLIC SECTOR COMPANIES, 1991

CONTENTS

2. Short title
3. Definitions
4. Opening of account
5. Deposits and withdrawals
6. Interest on deposits
7. Premature withdrawal
8. Joint accounts and nominations
9. Closure of account
10. Pass book
11. Transfer from one accounts office to another
12. Issue of duplicate pass book
13. Power to relax

DEPOSIT SCHEME FOR RETIRING EMPLOYEES OF PUBLIC SECTOR COMPANIES, 1991

The Government of India hereby notifies the following Deposit Scheme with effect from 1-1-1991, until further orders.

2. Short title :-

This Scheme may be called the Deposit Scheme for Retiring Employees of Public Sector Companies, 1991.

3. Definitions :-

In this Scheme, unless the context otherwise requires:

- (a) "Account" means an account opened under this Scheme.
- (b) "Accounts Office" means any authorised branch of SBI or its subsidiaries or any other nationalised banks.
- (c) "Depositor" means a retired employee of public sector company by whom or on whose behalf money is deposited in an account and deposit means money so deposited.
- (d) "Public sector company" means any Corporation established by or under any Central, State or Provincial Act or a Government company as defined in Section 617 of the Companies Act, 1956 .

(e) "Retirement benefits" means any payment due to the depositor on account of his retirement whether on superannuation or otherwise and includes following payments:-

(i) Balance at the credit of employee in any of the contributory provident funds, including employer's share.

(ii) Retirement/superannuation gratuity.

(iii) Cash equivalent of leave.

(iv) Savings element of Group Savings Linked Insurance Scheme payable by employer to the employee on retirement.

(v) Retirement-cum-withdrawal benefit under the Employees' Family Pension Scheme, 1971 .

[(vi) Commuted value of pension, if any, payable by the public sector company.]

4. Opening of account :-

(a) Any depositor may open an account with any accounts office within three months from the date of receiving the retirement benefits [or up to 30 September, 1991, whichever is later] for depositing the amount not exceeding the total retirement benefits, by applying in Form 1, or as near thereto as possible together with:

(i) a locally payable cheque, pay order or demand draft, for the amount of deposit, and

(ii) a certificate from the employer indicating retirement benefits: Provided that a depositor who has received the retirement benefits before the notification of this Scheme, may open an account within [six] months from the date of commencement of the Scheme: Provided further that where the amount of deposit does not exceed Rs. 5 lakhs an affidavit on stamped paper signed by the depositor indicating the amount of retirement benefits received by him shall be accepted in lieu of a certificate from the employer.

(iii) a certificate from employer that the company is a public sector company as per clause 3(d).

(b) On receipt of an application under sub-paragraph (a) above, the accounts office shall open an account in the name of the depositor and issue him a provisional receipt.

(c) After realisation of the cheque, pay order or demand draft as the case may be, a pass book in Form 2, shall be issued in exchange for the provisional receipt indicating the name of the depositor, his address, the amount of deposit(s) made and account number, duly initialled by an authorised official of the accounts office.

(d) The date of realization of the cheque, pay order or demand draft shall be the date of deposit and the deposit shall be deemed to be made on that date only.

(e) A depositor may open only one account under this scheme provided that where the retirement benefits have been received on different dates, more than one deposit can be made in this account. Such deposits shall be made within three months from the date of receiving that retirement benefit from the public sector company.

5. Deposits and withdrawals :-

(a) The account shall be opened with a deposit of a minimum of one thousand rupees and all deposits will be in multiples of one thousand rupees.

(b) All withdrawals shall be in multiples of one thousand rupees.

(c) A depositor may, at his option, withdraw by applying in Form 3 or as near thereto as possible, the entire balance or part thereof after the expiry of three years from the date of deposit. Where depositor elects to make part withdrawal, the balance amount will be held as a deposit in the account.

(d) The depositor may also make premature withdrawal of principal amount subject to the condition specified in paragraph 7.

(e) There shall not be more than one withdrawal in respect of a deposit in a calendar year.

6. Interest on deposits :-

(a) All deposits made in accordance with this scheme shall carry interest at the rate of 9 per cent per annum from the date of the respective deposits. The interest will be paid from the date of deposit to 30th

June/31st December, as the case may be, and thereafter interest will be paid half yearly on the 30th June and 31st December. The

interest in fraction of a rupee will be rounded off to the next higher rupee.

(b) Where, on expiry of three years, the account is continued, the balance amount in the account will earn interest at the same rate till the account is closed.

(c) If so authorised interest payable every six months may be deposited by the accounts office in a separate savings account opened by the depositor at that accounts office.

(d) Interest due on the deposits but not drawn on due date will continue to earn interest at 9 per cent as applicable to principal amount, so long as the interest remains in deposit.

7. Premature withdrawal :-

(a) No withdrawal can be made by the depositor during the first year from the date of the deposit.

(b) Where the depositor makes a withdrawal of any amount after the expiry of one year but before the expiry of three years from the date of deposit the interest on the amount withdrawn will be payable at the rate of 4 per cent from the date(s) of deposit up to the date of withdrawal, interest at 9 per cent, if already paid being adjusted at the time of withdrawal.

8. Joint accounts and nominations :-

(a) The account may be opened by the depositor either in his name or jointly with his spouse.

(b) Where the account is held in a single name:-

(i) The depositor may, at the time of opening the account or any time thereafter, but before closure of the account, nominate in Form 4, a person or persons, who in the event of his death shall receive the payment due on the account.

(ii) A nomination made by a depositor may be cancelled or varied by a fresh nomination in Form 5 by giving notice in writing to the accounts office in which the account stands.

(iii) Every nomination and every cancellation or variation thereof shall be registered in the accounts office and shall be valid from the date of such registration the particulars of which shall be entered in the passbook.

9. Closure of account :-

(a) The account may be closed by the depositor on or after the expiry of three years from the date of initial deposit or last deposit where more than one deposit is made in the account.

(b) If the depositor dies within the period of three years, or thereafter, the account shall be closed as soon as death is reported to the bank and the amount paid to the nominee. Where, however, the deposit account is held jointly with the spouse or where the sole nominee is the spouse of the depositor, the spouse may, at his/her option, request for continuance of the account and the account then shall be continued in the name of such spouse on the same terms and conditions as applicable to the account.

10. Pass book :-

The pass book shall be presented to the accounts office at the time of collecting interest and also at the time of withdrawal and closure.

11. Transfer from one accounts office to another :-

A depositor may apply for transfer of his account from one accounts office to another accounts office due to change of his residence.

12. Issue of duplicate pass book :-

In the event of loss or destruction of a pass book issued by an accounts office, the office may, on an application made to it in this behalf, and on payment of rupee one by the depositor, issue a duplicate thereof to him.

13. Power to relax :-

Where the Central Government is satisfied that the operation of any of the provisions of this Scheme causes undue hardship to a subscriber, it may, by order for reasons to be recorded in writing, relax the requirements of this provision.