NATIONAL SMALL SAVINGS SCHEMES

15 Yrs Public Provident Fund Scheme (PPF)

Safety	:	One of the primary view of the prudent investor is to ensure that the invested amount remains safe. The PPF scheme offers total safety to the amount invested.
Liquidity	:	PPF Scheme offers easy liquidity in the form of loans and withdrawals.
Attractive Return	:	PPF Scheme offers attractive rate of interest. Presently the rate of Interest is 8% tax free.

An eyeview of the scheme :

(a) Tax Concessions on PPF :

(1) Interest is completely exempted from Income Tax as per prevailing I.T.Act provision.
(2) Subscriptions to PPF quality for deduction u/s 80-C of I.T. Act.

(b) Free from Court Attachment :

The Credit balance in PPF account is not subject to attachment under any order or decree of court of law.

(c) Subscription :

Any amount between Rs.500/- (minimum) and Rs.70,000/- (maximum) can be deposited in a financial year.

Monthly Income Scheme (MIS)

Post Office Monthly Income Scheme (POMIS) is an ideal scheme for retiring persons and also those who want steady flow of regular income.

An eyeview of the scheme :

(a) POMIS Scheme is for 6 years.
(b) Interest is 8% p.a. and payable monthly, commencing from the month next to the date of deposit.
(c) Premature withdrawal is allowed.
(d) Amount in multiplies of Rs.1,500/- subject to maximum of Rs.4.5 lakh for single account and Rs.9 lakh for joint account.
(e) A bonus equal to 5 percent of the amount deposited in new accounts opened on or after 8th December 2007.

Post Office Recurring Deposit Scheme (PORD)

Post office Recurring Deposit Scheme helps the investors especially small investors to form a capital to meet the future needs.

An eyeview of the scheme :

An amount with minimum Rs.10/- and in multiplies of Rs.5/- can be opened. There is no maximum limit.

(a) The maturity value of Rs.10/- denomination account is Rs.728.90
(b) Advance deposits can be made at the option of the depositor for 6 months or 12 months and earn rebate on deposit.
(c) Withdrawal to the extent 50% of the amount of existing balance is permissible after one year of the opening of account.
(d) Full maturity value allowed on R.D. accounts restricted to that of Rs.50/- denomination in case of death of depositor subject to fulfillment of certain conditions.
(e) An account can be continued even after 5 year.

6- Year National Savings Certificate – VIII Issue (NSC)

National Savings Certificates VIII Issue is an excellent scheme wherein not only initial deposit but also the accrued interest for first 5 years enjoys the benefit of section 80-C of I.T. Act.

An eyeview of the scheme :

(a) No ceiling on Investment.
(b) Interest compounded half yearly and paid at maturity. Rs.100/- becomes Rs.160.10 on maturity.
(c) The deposits as well as interest accruing annually but deemed to be reinvested qualify for deduction u/s 80-C I.T. Act.
(d) Loan facility available by pledging the certificates with the banks.

Kisan Vikas Patra (KVP)

Tapping rural savings was pressing need since time immemorial. Similarly, the non-tax payers from urban and metropolitan areas did not have a safe investment for their hand earned precious savings. As Safety is absolute, this has become good avenue for people in rural areas also. The maturity period of KVP is 8 years 7 months.

The Scheme is attractive for non-tax payers because of (i) Convenience, (ii) Safety, (iii) Liquidity.

Post Office Time Deposit Account (POTD)

The accounts are short / long term deposits with rate of Interest (compounded quarterly but paid annually) as given below :

Period	Interest (per annum)
1-year	6.25%
2-year	6.50%
3-year	7.25%
5-year	7.50%

Account can be opened in multiplies of 200/- without any limit. Deposits in 5 year TD qualify for deduction u/s 80-C of Income Tax Act w.e.f 8th December 2007.

Senior Citizens Savings Scheme (SCSS)

An individual who has attained the age of 60 years or above on the date of opening of an account or an individual who has attained the age of 55 years or more but less than 60 years and who has retired under superannuation. VRS/Spl. VRS can also open an account. A retired personnel of Defence Services (Excluding Civilian Defence Employees) can subscribed to the scheme irrespective of age limit subject to fulfillment of other specified conditions. A depositor may open an account individually or jointly with spouse. The deposit in the account is in multiples of Rs.1000/- and not exceeding Rs.15 lakh.

9% per annum interest shall be payable from the date of deposit to 31st March / 30th June / 30th September / 31st December as the case may be and thereafter interest shall be payable on 31st March, 30th June, 30th September and 31st December.

The account can be closed after expiry of 5 years from the date of opening of account. The depositor may extend the account for further period of 3 years. Premature closure is permissible after expiry of one year from the date of opening of account subject to certain conditions. Deposits in SCSS qualify for deduction u/s 80-C of Income Tax Act w.e.f. 8th December 2007.

Note :

(i) Nomination facility is available in all the schemes.

(ii) Accounts / Certificates can be transferred from one place to another in the country