

Top 5 Small Savings Schemes by Government of India

If you are preparing for SSC CGL, SSC CPO, IBPS PO, RRB ALP, RPF or any other government or Railway exam you would know that GK section involves questions that are very generic as well as scoring. However, they can seem really hard if you do not keep a track of the worldwide happenings. Nowadays a lot of questions related to government policies & saving schemes are being asked in the GA section. These saving schemes keep changing with time, making it one of the most preferred questions of all upcoming banking exams. Therefore, it is imperative that you know about the **Top 5 Small Savings Schemes by Government of India**. Go through the article thoroughly and also try to learn the Small Savings Schemes as you read.

Watch this video on **Small Savings Schemes** to get a better understanding about the same.

Senior Citizen Small Savings Schemes

Who can open this account?

- Individuals of or above **60 years of age**.
- People falling in 55 to 60 years age can also open this account, provided they have retired on VRS (Voluntary Retirement Scheme).

Where & How can they open the account?

- Senior Citizens can open this account by visiting any nearby Post Office or Scheduled Commercial Banks.

- The Maximum Deposit Limit is Rs 15 lakhs in multiples of Rs 1000.

Some quick points:

- The Interest Rate applicable is 8.3% p.a.
- Maturity Period will be of 5 years, extendable upto 3 years within 1 year of maturity.
- **TDS** (Tax Deducted at Source) is applicable if the earned interest on deposits exceeds **Rs 10000 p.a.**
- The account holder can appoint a nominee too, on or after opening the account.

Small Savings Schemes - Sukanya Samriddhi Yojana

Who can open this account?

- A legal/natural guardian can open an account in the name of the girl child, upto the age of 10 years from her Date of Birth.
- A guardian can open only one account for 1 girl child and utmost 2 different accounts for 2 girl children.

Where & How can they open the account?

- Interested people can avail this scheme from nearby Post Office or Authorized branches of Commercial Banks.
- Minimum deposit limit is Rs 1000 & Maximum Rs 1,50,000 in a Financial Year.

Some quick points:

- The account will be discontinued if Rs 1000 is not deposited for a Financial Year. It can be revived by depositing a fine of Rs 50 and the minimum sum to be paid for that financial year.
- Interest Rate is 8.1% p.a.
- Maturity Period will be of 21 years from the date of opening the account or when the girl gets married (whichever is earlier).
- Partial withdrawal, upto 50% of balance at the end of previous Financial Year is permitted, after the girl reaches 18 years of age.
- Normal Premature Closure is allowed after girl attains 18 years of age or is married.

Small Savings Schemes - Kisan Vikas Patra

Who can buy this certificate?

- Any adult or an adult on behalf of a minor or two adults.

Where can this certificate be bought from?

- Any Departmental Post Office.
- Deposit Limit will be of minimum Rs 1000 upto any amount of money.

When can the certificate be encashed?

- After 2 and $\frac{1}{2}$ years from the Date of Issue.

Some quick points:

- Interest Rate is 7.3% p.a.

- Invested amount doubles in 118 months (9 years 10 months)
- It can be used as a collateral while applying for loans.
- Kisan Vikas Patra Certificates are available in the denominations of Rs 1000, Rs 5000, Rs 10,000 and Rs 50,000
- Indian Government launched this long term investment scheme in 1988 and then again in 2014.
- There is no Tax Benefit under Section 80.

Small Savings Schemes - Public Provident Fund (PPF) Account

Who can Open this account?

- Any individual can open PPF account with Rs 100, but joint account cannot be opened.

Where can the account be opened?

- Any designated Post Office or Bank Branch.
- Deposit Limit - Minimum Rs 500 upto Rs 1, 50,000 in a Financial Year. Money can be deposited in lump sum or in 12 installments.

Why should one open PPF Account?

- The Principal invested qualifies for deduction under Section 80 of the Income Tax Act 1961 and the interest earned is exempted from tax under Section 10.

Some quick points:

- Interest Rate is 7.6%

- Maturity Period will be of 15 years, but it can be extended upto 5 years and so on, within 1 year of maturity.
- Premature Closure/Lock in Period is 5 Financial Years

Small Savings Schemes - National Savings Certificate

Who can invest?

- Any adult or minor or an adult on behalf of a minor.

Where & How can the certificate be bought from?

- An authorized post office
- Deposit Limit is starting from Rs 100 and in multiples of Rs 100 upto any desired amount.

Why should one buy it?

- Tax Deduction under Section 80C can be claimed upto Rs 1, 50,000/-.
- Deposit Limit will be starting from Rs 100 and in multiples of Rs 100 upto any desired amount.

Some quick points:

- **Interest Rate** is 7.6% compounded annually and payable at maturity.
- Maturity Period/Lock-in Period is 5 years

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