

6 Investment Options for Post-Retirement Monthly Income

After retirement, managing a **Corpus Fund** wisely can ensure a **financially secure and comfortable life**. Since individuals above 60 are considered **senior citizens**, it's important to choose **low-risk investments**. Here are **six recommended investment options**:

1. Senior Citizens' Savings Scheme (SCSS) - No Risk!

- **Government-backed scheme for citizens above 60.**
 - **Zero risk on principal and interest earnings.**
 - **Can be opened at banks or post offices** with Aadhaar & PAN.
 - **Duration: 5 years** (extendable by **3 more years**).
 - **Interest rate: 8.20% per annum** (paid quarterly).
 - **Maximum investment: ₹30 lakh.**
 - **Tax benefits:** Up to **₹1.5 lakh** tax deduction (under **Section 80C**).
 - **Taxation on interest:** As per individual income tax slab.
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2. Bonds – Choose as per Convenience

- Senior citizens can invest in **corporate, government, or PSU bonds**.
 - **Tax-free bonds** available but offer **lower interest rates**.
 - **Government bonds & AAA-rated bonds** are **safe but provide lower returns**.
 - **Current interest rates: 7.5% - 8.5%**.
 - Interest payout options: **Monthly, Quarterly, or Annually**.
 - **Taxable income** based on applicable slab rates.
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3. Fixed Deposits – Extra 0.25% Interest for Seniors

- Available in **banks, post offices, NBFCs, and corporates**.
 - **Deposit insurance up to ₹5 lakh per bank** (principal + interest).
 - Senior citizens get **0.25% extra interest** compared to regular FDs.
 - **Current FD rates: 7% - 7.5% per annum**.
 - **Tax applicable** on interest as per tax slab.
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4. Debt Mutual Funds – Stable Growth

- Invests in **bonds & fixed-income instruments**.
 - **Returns similar to FDs (7% - 7.5% per annum)**.
 - **Lower tax burden** as only capital gains are taxed.
 - **Flexibility:** Investors can **withdraw at their convenience**.
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5. Hybrid Mutual Funds – Potential 10% Annual Returns

- Investments are **diversified** across **stocks and bonds**.
- Two types:
 1. **Conservative Hybrid Funds** – **More investment in bonds**.
 2. **Balanced Advantage Funds** – **Flexible allocation between stocks &**

bonds.

- **Expected returns: 10% per annum.**
 - **Stocks help beat inflation** & ensure long-term financial security.
 - **Only capital gains are taxable**, making them tax-efficient.
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6. National Pension System (NPS) - 7.5% Returns

- **40% of investment** is used for **buying an annuity**, ensuring **regular pension**.
 - **Returns: ~7.5% per annum.**
 - **Tax applicable** on pension income.
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How to Choose the Right Plan?

- **Risk-averse investors** → **SCSS, FDs, Government bonds**.
 - **Need for growing corpus** → **Debt mutual funds, Hybrid mutual funds**.
 - **Looking for tax benefits** → **SCSS, Tax-free bonds**.
 - **Stable income with low risk** → **Government & high-rated corporate bonds**.
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Key Consideration: Systematic Withdrawal Plan (SWP)

- **Allows monthly withdrawals** from mutual funds while maintaining corpus growth.
- Example: **₹1 crore corpus** invested in a fund yielding **7.5% per annum** →
 - Generates **₹62,500 per month**.
 - If only **₹40,000 per month** is withdrawn, the balance keeps growing.
 - Future withdrawals can **increase to ₹45,000, ₹50,000, ₹55,000**, etc.

By making **wise investments**, retirees can ensure **financial security and peace of mind** for the future.