

# Senior Citizens Saving Scheme

## Details (Senior Citizens Saving Scheme)

The Senior Citizens' Saving Scheme is a retirement benefit program by the Government of India. Individuals over 60 years can opt for the SCSS scheme by investing by making an individual or joint investment. In addition, this scheme provides tax benefits. One must deposit it in the Senior Citizen Scheme account within a month from receiving retirement benefits from his/her employer. One can extend the scheme for 3 more years from its date of maturity.

## Objectives (Senior Citizens Saving Scheme)

- The Senior Citizens' Saving Scheme is a retirement benefit program by the Government of India.
- Individuals over 60 years can opt for the SCSS scheme by investing by making an individual or joint investment.
- In addition, this scheme provides tax benefits.
- In SCSS, the installment amount ranges between ₹1,000 and ₹15 lakhs.
- This amount is constricted to the retirement benefits.

## Important Features (Senior Citizens Saving Scheme)

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- This amount is constricted to the retirement benefits.
- One must deposit it in the Senior Citizen Scheme account within a month from receiving retirement benefits from his/her employer.

## Benefits (Senior Citizens Saving Scheme)

- Benefits : **■ Hassle**
- Free Process: Individuals can open their accounts at any post office or authorized bank in India. SCSS Tax Benefits: Under Section 80C of the Income Tax Act, the principal amount invested in this scheme is eligible for deduction up to a limit of ₹1.5 lakhs in a year. Furthermore, interest earned on SCSS is taxable according to an individual's tax slab. However, if the amount exceeds ₹50,000 for a fiscal, TDS (Tax Deducted at Source) is applicable. High
- Interest Rate: SCSS offers an interest rate of 7.4% per year. **■ Features : ■ Varying Interest Rates:** The SCSS interest rate is modified once in every 3 months. Therefore, this rate of interest is subject to revision 4 times in a year. Assured Returns: The returns on this scheme are issued as it is a government
- backed instrument. Moreover, contrary to market
- linked investments, which are subject to fluctuations, SCSS is safe and offers assured returns to individuals. Maturity Duration: SCSS comes with a maturity period of 5 years. That said, one can extend the scheme for another 3 years by submitting a duly filled
- up Form B. Nonetheless, in this regard, the interest rate as per the quarter is levied. Deposit Limit: Individuals can deposit a minimum of ₹ 1,000 to open their accounts. Moreover, one can deposit ₹ 15 lakh or the amount of retirement benefit, whichever is lower. Account Closure: Deductions are made against premature withdrawals. If closed before a period of 2 years, 1.5% deduction will be made as a penalty. Furthermore, if closed after 2 years, 1% is deducted. However, for extended accounts, one can withdraw funds post one year without attracting penalties. Quarterly Disbursals: One can expect quarterly disbursements against the deposited amount. The interest gets credited to the account on the 1st of April, July, October, and January. Nomination Option: The account holder can register a nominee to the Senior Citizens Saving Scheme. So, if the account holder passes away before maturity, the nominee will receive the due amount.

## Eligibility (Senior Citizens Saving Scheme)

- Indian citizens above the age of 60 years Retirees in the age bracket of 55
- 60 years who have opted for Voluntary Retirement Scheme (VRS) or Superannuation\* Retired defense personnel above 50 years and below 60 years of age\* ■ (\*Investment must be made within a month of availing the retirement benefits.)

### **Application Process (Senior Citizens Saving Scheme)**

- Visit your nearest bank branch or post office and collect the application form.
- Submit the duly filled-up form along with the self-attested copies of the required documents.

### **Documents Required (Senior Citizens Saving Scheme)**

- KYC Documents: Aadhaar Card
- Voter ID Card
- PAN Card
- Passport Utility Bills: Telephone bill
- Electricity bill Senior Citizen Card or Birth Certificate (Case Specific) 2 passport-size photographs

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