

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2125
ANSWERED ON:12.12.2008
``RETURN ON THE DEPOSITS OF SR. CITIZENS``
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of FINANCE be pleased to state:

- (a) whether Government proposes to protect the savings of senior citizens by giving them a decent return on their deposits; and
- (b) if so, the details thereof?

Answer

THE MINISTER OF INATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) & (b) : The Reserve Bank of India (RBI) has permitted banks to formulate fixed deposit schemes for senior citizens offering higher and fixed rates of interest as compared to normal deposits of any size. In addition, the Government had launched a Senior Citizens Savings Scheme, 2004 with effect from 2nd August, 2004. Persons of age 60 years and above and those retired persons who are 55 years of age and above but less than 60 years are eligible to invest in the scheme. The rate of interest on deposits under the scheme compares favourably with the yield on Government security of comparable tenor. All deposits upto Rs. one lakh including those of senior citizens, are insured by the Deposit Insurance & Credit Guarantee Corporation (DICGC).