

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:844  
ANSWERED ON:25.11.2011  
``SENIOR CITIZENS SAVING SCHEME``  
Chavan Shri Harischandra Deoram

**Will the Minister of FINANCE be pleased to state:**

- (a) the salient features of the Senior Citizens Saving Scheme (SCSS), 2004;
- (b) whether some of the banks have denied the facility of Senior Citizens Saving Scheme (SCSS), 2004, particularly to retired army personnel;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the corrective steps taken/being taken by the Government/Reserve Bank of India (RBI) in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI NAMO NARAIN MEENA)

(a): The salient features of Senior Citizens Savings Scheme, 2004 are as follows:

- i) Senior citizens above 60 years of age are eligible to invest under the scheme.
- ii) Persons retired on superannuation or otherwise and attained the age of 55 years or more are also eligible.
- iii) Retired personnel of Defence Services (excluding Defence Civilians) are eligible to subscribe to the scheme irrespective of age limit,
- iv) Joint account is permissible only with spouse.
- v) Nomination facility is available in respect of both individual and joint accounts.
- vi) Maximum deposit limit of 15 lakhs
- vii) Interest at the rate of nine per cent per annum (taxable) is payable quarterly.
- viii) Tenor is 5 years, extendable for three additional years.
- ix) Premature withdrawal is permissible with conditions,
- x) The investment is non-tradable and non-transferable,
- xi) Available through designated post offices and branches of the authorised banks throughout the country,
- xii) Investment under the scheme is risk-free with easy accessibility at the nearby post office/bank through agents also.

(b) & (c): A complaint was received by the Government in May, 2011 from a retired Defence Officer regarding non-implementation of the Senior Citizens Savings Scheme by the agency banks, due to non-receipt of relevant instructions from Reserve Bank of India on the eligibility of investment by retired Defence Personnel. RBI has, however, informed that all instructions received from the Government pertaining to the Scheme, from time to time, have been circulated to all the agency banks for implementation. These circulars are also posted on the website of RBI.

(d) : The rules of Senior Citizens Savings Scheme and amendments thereto have been published in official gazette, circulated to the post offices and designated branches of the authorised banks. Instructions are also issued from time to time by the Government and Reserve Bank of India advising the agency banks for correct implementation of the scheme. Further, on receipt of the above complaint, the Government had written to RBI on 20th May, 2011 for issuing necessary instructions to all agency banks operating SCSS, 2004. In turn, RBI have issued instructions to all agency banks on 9th June, 2011 for strictly adhering to existing instructions and ensuring extension of benefits of the scheme to retired army personnel.