

SMALL SAVINGS SCHEMES IN FORCE AND RATIONALISATION PROPOSALS

Name of the Scheme	Limits of Investment	Maturity Period (Years)	Interest Rates (% p.a)	Whether interest is tax free under Income Tax Act	Rebate under Sec.88 of Income Tax Act	Proposed Rationalisation of Saving Schemes^^
1	2	6	14	15	16	18
1.Post Office Savings Bank Accounts	Minimum Rs.20 and maximum Rs.1,00,000 for an individual account (Rs.2 lakh jointly. No limit on group, institutional or official capacity accounts)	#	3.50	Yes Sec.10	No	Should Continue
2.Public Provident Fund 1968	Minimum Rs.100 and maximum Rs.60,000 in a fical year.	15	8.00	Yes Sec.10	Yes	Should Continue with Tax Incentives Pending the development of Social Security System
3.Post Office Time Deposit Account	Minimum Rs.200 and Maximum no limit.	1,2,3 and 5	6.25 to 7.50	Yes Sec. 80-L	No	Should Continue
4.Post Office Recurring Deposit Account	Minimum Rs.10 per month or any amount in multiples of Rs. 5. No maximum limit.	5	7.50	do	No	Should Continue
5 Post Office Monthly Income Scheme	Minimum Rs.1,000 and maximum Rs.3 lakhs in single account and Rs.6 lakhs in joint account.	6	8.00	do	No	Should Continue
6.NSC VIII Issue	Minimum Rs.100 Maximum no limit.	6	8.00	do	Yes	Can be Discontinued
7.Kisan Vikas Patra	No limit.	8 year 7 months	Double during the tenor	No	No	Can be Discontinued
8.Deposit Scheme for Retiring Government Employees 1989/ Retiring Employees of Public Sector Companies 1991	Minimum Rs.1,000 and maximum not exceeding the total retirement benefits.	#	7.00	Yes Sec.10	No	Can be discontinued and converted to Dada-Dadi Bonds
9. 6.5% p.a. Savings Bond 2003 (Non-Taxable)	No Limit	5	6.50	Yes	No	Can be Discontinued
10. 8% p.a. Savings (Taxable) Bond 2003	No Limit	6	8.00	No	No	Should Continue

# : open ended scheme.  
^^ : Removal of Tax Incentive proposed until specified otherwise