Senior Citizens' Savings Scheme (SCSS) Frequently Asked Questions

1. **What is Senior Citizen Savings Scheme?**
   - Senior Citizen Savings Scheme (SCSS) is a government-sponsored savings, intending to provide senior citizens with a steady and secure source of income for their post-retirement life.
2. **Is SCSS interest rate fixed for 5 years?**
   - Yes, SCSS interest rate is fixed for 5 years at the time of account opening. It will only change upon start of extension period if applicable.
3. **Can I invest more than ₹30 lakh in SCSS?**
   - No, the account shall be opened with a minimum deposit of ₹1,000 and any sum in multiple of ₹1,000 not exceeding of ₹30 lakh investment across all banks / Post office.
4. **Can I open and view SCSS deposits via Net Banking & Mobile Banking?**
   - No, currently the Net Banking and Mobile Banking facility for SCSS deposit is under development.
5. **Can I use transfer in facility for the SCSS deposit?**
   - Yes, transfer in facility from other banks/Post office to HDFC Bank is available. Kindly get in touch with your HDFC Bank branch.
6. **Can I use transfer out facility for the SCSS deposit?**
   - No, transfer out facility to other banks/Post office from HDFC Bank is under development.
7. **Whether any fee has been prescribed for transfer of deposits?**
   - Yes, a fee of **INR 100+ GST** has been prescribed for transfer of deposits under the SCSS, 2019.
8. **Are Non-resident Indians (NRI), Persons of Indian Origin and Hindu Undivided Family (HUF) eligible to invest in the SCSS?**
   - No, Non-resident Indians (NRI), Persons of Indian Origin and Hindu Undivided Family (HUF) are not eligible to invest in the SCSS. Only Resident Indians are eligible to invest in SCSS.
9. **What is value date from which the SCSS deposit shall start to bear interest?**
   - Post submission of application and processing at operations, funds will be debited from the customer savings account, the value date will be date of debit from the customer's savings account.
10. **What is the turnaround time (TAT) for opening SCSS?**
    - The turnaround time (TAT) for account opening will be three working days subject to submission and verification of all required documents as applicable basis regulatory guidelines.
11. **What does the depositor(s) receive on successful opening of SCSS deposit?**
    - Bank issues a statement of account (as per scheme guideline standard format) with only nominee registration (Yes/No) mentioned clearly, as the proof of deposit and will be send to the customer's registered email id with bank on opening of the deposit.
      Note: Please note that Bank does not issue passbook or deposit confirmation advice for SCSS.
12. **Can a customer apply for SCSS deposit opening if the customer's email id is not available or not registered with the Bank?**
    - Yes, a customer can apply for and open a SCSS deposit without an email id subject to exception approval from the product & process team.
13. **Is senior citizen saving scheme interest tax free?**

Classification - Internal

- No, interest earned on the Senior Citizen Savings Scheme Account interest is not tax free. TDS will be deducted on interest earned as per Section 393 (formerly Section 194A) of the Income Tax Act.

14. Can customer avail tax exemption on the interest paid?

- Yes, customer can avail tax exemption on the interest paid by submitting physical Form 121 (formerly Form15H/G) at the branch as applicable.

  Please Note: Tax exemption will only be availed from the day of processing of the request to the end of the financial year. Any TDS deducted before the request processing date will be paid to the IT department and cannot be refunded by the bank.

15. How is TDS calculated and deducted on SCSS interest at the Bank?

- TDS will be deducted on interest earned as per Section 393 (formerly Section 194A) of the Income Tax Act. Customers eligible for exemption may submit Form 121 (formerly Form15H/G) to avoid TDS deduction. However, the bank may temporarily hold the TDS at the time of crediting interest to assess total interest across all deposits. If the customer qualifies for NIL deduction, the held TDS amount will be released accordingly with the same value date as of interest credit.

16. How often is the interest paid out for SCSS?

- Interest is paid out on a quarterly basis on 1st working day on the quarter.

17. Where is the quarterly interest paid?

- The SCSS quarterly interest is paid to customer's HDFC Bank savings account under the customer ID, held with the HDFC Bank as chosen at the time of account opening.

18. Can a customer change his/her interest credit account?

- Yes, the customer can change his/her interest credit account by submitting a change request at the branch to another HDFC Bank savings account under same customer ID.

19. Can I avail myself of tax benefits by investing in SCSS?

- Yes, investments in the Senior Citizen Savings Scheme Account (SCSS) are eligible for tax benefits under Section 123 (formerly 80C) of the Income Tax Act, 2025.

20. Can a person holding a Power of Attorney sign for the nominee in the nomination form?

- No, a person holding a Power of Attorney cannot sign for the nominee in the nomination form.

21. Is partial withdrawal of the deposits from the accounts under the SCSS, permitted?

- No, partial withdrawal of the deposits from the accounts under the SCSS is not permitted.

22. What are the documents required for opening a Senior Citizens Savings Scheme Account (SCSS) with HDFC Bank?

- SCSS account opening form
- Passport size photograph
- Copy of self-attested PAN Card
- Copy of self-attested Aadhaar Card along with Non-DBT Aadhaar Declaration
- Additional documentation as per eligibility criteria, investment and type of account

23. What are the mandatory documents related with KYC required for opening SCSS?

- PAN and Aadhaar of the customer are mandatorily required for opening SCSS account.

24. What is proof of marriage document required for opening SCSS joint account?

- For opening SCSS joint account, depositor(s) are required to submit, proof of marriage establishing the spousal relationship between the two holders. The documents can be marriage certificate, passport or Aadhaar card (with non-DBT consent) with spousal details mentioned.

25. Can a joint account be opened under the Scheme with any person?

- No. Joint account under the SCSS can be opened only with the spouse.

Please Note: The eligibility and investment limit of the primary account holder is taken into consideration while opening a joint deposit.

26. Can a depositor open more than one account under the Scheme?

Any depositor may open an account at any branch by making an application in Form-1 along with the amount of deposit along with age proof.

A depositor may operate more than one account under these rules subject to the condition that the deposits in all accounts taken together shall not exceed the maximum limit as specified under scheme guidelines. A depositor may open the account in individual capacity or jointly with spouse.

27. What should be the age of the spouse in case of a joint account?

- In case of a joint account, the age of the first account holder shall be considered to determine the eligibility to open the account and there shall be no age limit for the second applicant. (i.e. spouse).

28. What will be the share of the joint account holder in the deposit in an account?

- The whole amount of deposit in a joint account shall be attributable to the first/ primary account holder only.

29. Whether both the spouses can open separate accounts in their individual capacity with separate limit of ₹30 lakh for each of them?

- Both the spouses can open single/ joint accounts with each other with the maximum deposits up to ₹30 lakh in each account, provided both are individually eligible to invest under relevant provisions of the rules governing the Scheme.

30. Whether only one person or number of persons can be nominated in the accounts opened under the Scheme?

- The depositor may, at the time of opening of the account, nominate a person or persons (not exceeding four individuals) who, in the event of death of the depositor, shall be entitled to receive the eligible balance.

31. Can a nomination be made after the account has already been opened? Can a nomination be cancelled or changed?

- Nomination is mandatory at the time of account opening. Yes, the Nomination made by the depositor may be cancelled or varied by submitting a fresh nomination in Form -10 to the branch where the account is being maintained along with statement of account. The nomination change functionality for SCSS will be available soon.

32. Can nomination be made in joint account also?

- Nomination can be made in joint account also. In such a case, the joint holder will be the first person entitled to receive the amount payable in the event of death of the depositor. The nominee's claim will arise only after the death of both the joint holders.

33. What is difference in "Owner" & "Trustee" under the nature of entitlement in the nomination form?

- Under nomination, if the nominee is legal heir, then the nature of entitlement should be mentioned as **"Owner",** or else should be **"Trustee".**

34. **In case of a joint account, if the first holder/depositor expires before maturity, can the account be continued?**
    - In case of a joint account, if the first holder/depositor expires before the maturity of the account, the spouse may continue the account on the same terms and conditions as specified under the SCSS Rules, if the spouse meets eligibility conditions under the Scheme on the date of death of the account holder. However, if the second holder, i.e., spouse has his/her own individual account, the aggregate of his/her individual account and the deposit amount in the joint account of the deceased spouse should not be more than the prescribed maximum limit.
35. **What happens to the accounts if both the spouses are maintaining individual accounts and not any joint account and one of them expires?**
    - If both the spouses have opened separate accounts under the Scheme and either of the spouses dies during the tenure of the account(s), then such account(s) standing in the name of the deceased depositor/spouse shall not be continued and such account(s) shall be closed. The account can be closed by making an application in Form 11.
36. **Whether any fee has been prescribed for nomination and/or change/cancellation of nomination?**
    - No fee has been prescribed for nomination and / or change/cancellation of nomination(s) in the accounts under the SCSS, 2019.
37. **What is the age limit in the case of retired Defence Personnel for investment in the scheme?**
    - The retired personnel of Defence Services (excluding Civilian Defence Employees) will be eligible to subscribe under the scheme on attaining the age of **fifty years** subject to fulfilment of other specified conditions.
38. **What is the meaning of 'retirement benefits' for the purpose of SCSS, 2019?**
    - "Retirement benefits" for the purpose of SCSS Rules have been defined as 'any payment due to the depositor on account of retirement on superannuation or otherwise and includes Provident Fund dues, retirement/superannuation gratuity, commuted value of pension, cash equivalent of leave, savings element of Group Savings linked Insurance Scheme payable by employer on retirement, retirement-cum-withdrawal benefit under the Employees' Family Pension Scheme and ex-gratia payments under a Voluntary or a Special Voluntary Retirement Scheme'
39. **Can deposits under the SCSS scheme be made only from amounts received as retirement's benefits?**
    - In case an investor has attained the age of 60 years and above, the source of amount being invested is immaterial, provided amount of single deposit is less than ₹10 lakh. If the amount of a single deposit is more than ₹10 lakh, the source of funds in mandatory as per AML KYC guidelines. However, if the investor is 55 years of age or above, but below 60 years and has retired on superannuation or otherwise on the date of opening of account under the Scheme or has retired from the Defence Services with age 50 years and above or spouse of deceased government employee died in harness, only the retirement benefits can be invested in the SCSS.
40. **Is there a period prescribed for opening deposit account under the SCSS scheme, by the senior citizen, from the retirement benefits?**
    - If the investor is 60 years of age or above, there is no time period prescribed for opening the SCSS account(s). However, for those below 60 years, following time limits have been prescribed:
        - The persons who have attained the age of 55 years or more but less than 60 years and who retired on superannuation or otherwise on the date of opening of an account under these rules, subject to the condition that the account is opened by such individual within **three months** of the date of receipt of retirement benefits and proof of date of disbursal of such retirement benefits along with a certificate from the employer indicating the

details of retirement on superannuation or otherwise, retirement benefits or admissible financial assistance to an eligible government employee who died in harness, employment held and period of such employment with the employer, is attached with the application form.

- The retired personnel of Defence Services (excluding Civilian Defence Employees) will be eligible to subscribe under the Scheme on attaining the age of fifty years subject to the fulfilment of other specified conditions. condition that the account is opened by such individual within **three months** of the date of retirement benefits and proof of date of disbursal of such retirement benefits along with a certificate from the employer indicating the details of retirement.
- The spouse of the government employee shall be allowed to open an account under this Scheme, if the government employee who has attained the age of fifty years and has died in harness, subject to the fulfilment of other specified conditions.
  Explanation:- For the purposes of this proviso, the Government Employee includes all Central and State Government employees eligible for retirement benefit or death compensation."

41. Can an account holder obtain loan by pledging the deposit/ account under the SCSS, 2019?

- The facility of pledging the deposit/ account under the SCSS-2019 for obtaining loans is not permitted since the account holder will not be able to withdraw the interest amount periodically, defeating the very purpose of the scheme.

42. Can I withdraw my SCSS investment before the maturity period?

- Yes, the account holder may withdraw the deposit and close the account at any time on an application in Form-2 subject to the following conditions, namely: -
  - In case the account is closed before one year after the date of opening of account, interest paid on the deposit in the account shall be recovered from the deposit and the balance shall be paid to the account holder.
  - In case the account is closed after the expiry of one year but before the expiry of two years from the date of opening of the account, an amount equal to **1.5% of the deposit** shall be deducted, and the balance shall be paid to the account holder.
  - In case the account is closed on or after the expiry of two years from the date of opening of the account, an amount equal to **1% of the deposit** shall be deducted and the balance shall be paid to the account holder.
  - However, if the depositor is availing the facility of extension of account under, he/she withdraws the deposit and close the account at any time before the expiry of one year from the date of extension of the account, an amount equal to **1% of the deposit** shall be deducted and the balance shall be paid to the account holder.

43. Can an SCSS account be extended?

- A depositor may extend the account for a further period of three years multiple times by making an application on Form-4, to the branch within a period of one year from the date of maturity

44. Does an account, which is not extended on maturity, earn any interest?

- In case a depositor does not close the account on maturity and also does not extend the account, the account will be treated as matured and the depositor will be entitled to close the account at any time subject to the condition that the post maturity interest at the rate as applicable to the deposits under the Post Office Savings Accounts from time to time will be

payable on such matured deposits up to the end of the month preceding the month of the closure of the account.

45. Whether Joint Account can be converted into Single Account?

- Yes. It shall be allowed only in case of a single surviving Joint Account Holder.

46. Whether NRI can be made nominee?

- Yes. Non-resident Indians shall be eligible to be nominated as nominee subject to the condition that payment to such nominee/s shall be on non-repatriation basis.

47. If there is no nomination in the account, then how the deceased settlement will be done by the branch if the proceeds are up-to ₹5 lakh?

- If a depositor dies and there is no nomination in force at the time of his death, and the probate of his will or letters of administration of estate or a succession certificate granted under the Indian Succession Act, 1925 (39 of 1925), or legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction, is not produced within six months from the date of death of the depositor to the Branch ,where the account stands, then,-
- if the eligible amount in the account does not exceed **₹5 lakh**, the branch, for reasons to be recorded in writing, may pay the same to any person appearing to the branch as the rightful claimant and to the satisfaction of the branch, to be entitled to receive the amount or to administer the estate of the deceased, on an application in Form- 11 accompanied by the following documents; namely:-
    - Death certificate of the account holder;
    - Passbook or deposit receipt or statement of account in original;
    - Affidavit in Form-13;
    - Letter of disclaimer in Form-14;
    - Bond of Indemnity in Form-15; and
    - Identity proof of the legal heir;

Provided further that, in case of any dispute raised before the Branch and before the payment of claim, the amount shall be paid by the Branch to the claimant on submission of a succession certificate granted under the Indian Succession Act, 1925 (39 of 1925) issued by the Court only along with the following documents; namely:-

- Claim form;
- Pass book or deposit receipt or statement of account in original;
- Death certificate of the account holder; and
- Identity proof of the legal heir.

48. If there is no nomination in the account, then how will the deceased settlement be done by the branch if the proceeds are above ₹5 lakh

- If the eligible amount in a deceased account is above ₹5 lakh, the amount shall be paid by the Branch to the claimant on submission of the probate of his will or letters of administration of estate or a succession certificate granted under the Indian Succession Act, 1925 (39 of 1925) issued by the Court, or legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction along with the following documents; namely:-
    - Claim form;
    - Passbook or deposit receipt or statement of account in original;

- Death certificate of the account holder; and
- Identity proof of the legal heir;

Provided further that, in case of any dispute raised before the Branch and before the payment of claim, the amount shall be paid by the Branch to the claimant on submission of a succession certificate granted under the Indian Succession Act, 1925 (39 of 1925) issued by the court only along with the following documents; namely:-

- Claim form;
- Passbook or deposit receipt or statement of account in original;
- Death certificate of the account holder; and
- Identity proof of the legal heir.

49. Can I appoint my spouse as partner in a joint account if they are below age limit?

- Since you already have an SCSS account, you are free to appoint your spouse as the joint account holder. It's the account holder's age that is the qualifying factor here and not their spouse's. Thus, the spouses age doesn't affect their eligibility to act as a joint partner in the account. However, the converse of this does not hold true as the spouse in this example is just 45 years old and the minimum age to be eligible to own a SCSS account is 60 years.

50. How many accounts can be opened under SCSS by a senior citizen?

- Please note that you can make the deposit to the account in a single payment. Therefore, an account holder may operate more than one account under the scheme subject to the condition that the deposits in all the accounts taken together shall not exceed the maximum limit, i.e. ₹30 lakh across all banks under SCSS.

51. When should Form 121 (formerly Form 15H/G) be submitted for SCSS?

- Ideally after opening SCSS account or at the beginning of each tax year for existing SCSS accounts, to ensure no TDS is deducted on the next quarterly interest pay-outs in the tax year.
- The exemption for the tax year will be applicable from the date of Form 121 is processed by the Bank.

52. Is submission of Form 121 (formerly Form 15H/G) is mandatory?

- No, it is optional. Only those who want to claim exemption from TDS and meet the required conditions should submit it.

53. What is exemption limit for TDS after submission of Form 121 (formerly Form 15H/G)?

- Please find below the exemption limit -
  - Exemption limit for depositor below 60 years during tax year after submission: **INR 4,00,000/-**
  - Exemption limit for depositor 60 years or more during tax year after submission: **INR 12,00,000/-**

54. Can I submit Form 121 (formerly Form 15H/G) for SCSS through net banking?

- No, currently Form 121 (formerly Form 15H/G) submission for SCSS through net banking in under development as will be available in due course. Customers are required to submit the physical form manually at the branch.

55. Can Form 121 (formerly Form 15H/G) be accepted without PAN?

- No. PAN must be updated in the bank's system (Valid and Operative).

56. What should customer ensure while submitting manual Form 121 (formerly Form 15H/G) for SCSS?

- Customer must ensure all mandatory fields in the form must be filled in and not left blank. If any mandatory information is missing or the SCSS account is incorrect, the form may be rejected by the Bank.

57. How does the customer receive confirmation on Form 121 (formerly Form 15H/G) processing for the SCSS deposit?

- Once the form is processed, a confirmation mail is sent to the customer's registered email id containing SCSS account details.