

FINANCE DEPARTMENT

OFFICE MEMORANDUM

No. 26791—Pen-46/89-/F.

The 3rd August 1990

Subject—Deposit Scheme for Retiring Government Employees, 1989

The undersigned is directed to invite a reference to Government of India, Ministry of Finance (Department of Economic Affairs) Notification No. F.2/14/89-NS-II., dated the 7th June 1989 (copy enclosed) and to say that according to para. 4 (a) (ii) of the scheme a certificate from the employer indicating retirement benefits paid to a retired Government employee is required to be given so as to make the deposit in any branch of S. B. I. or its subsidiaries or any other nationalised banks as may be authorised to accept deposit under the scheme.

It is, therefore, requested that necessary certificate as to the retirement benefits due to the retiring Government employee as per para. 3(d) of this scheme may be issued on application so as to enable the retired Government employee to make deposits under the scheme in any of the nationalised bank of the State, without requiring them to approach the Accountant-General for the purpose, within three months from the date of receiving the retirement benefits.

P. K. PATNAIK

Secretary to Government

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 7th June 1989

No.F.2/14/89-NS-II—The Government of India hereby notifies following Deposit Scheme with effect from 1st July, 1989 until further orders.

2. *Short name*—This Scheme may be called Deposit Scheme for Retiring Government Employees, 1989.

3. *Definition*—In this Scheme, unless the context otherwise request

- (a) 'Account' means an account opened under this Scheme
- (b) 'Accounts Officer' means any branch of State Bank of India or its subsidiaries or any other nationalised banks, as may be authorised to accept deposits under the scheme.
- (c) 'Depositor' means a retired Central or State Government Employee by whom or on whose behalf money is deposited in an account and deposit means money so deposited.
- (d) 'Retirement benefits' mean any payment due to the depositor on account of his retirement whether on superannuation or otherwise and includes following payments:—
 - (i) Balance at the credit of employee in any of the Government Provident Funds
 - (ii) Retirement/Superannuation gratuity
 - (iii) Commuted value of pension
 - (iv) Cash equivalent of leave, and
 - (v) Savings element of Government insurance scheme payable to the employee on retirement.

4. *Opening of Account*—(a) Any depositor may open an account with any accounts office within three months from the date of receiving the retirement benefits, for depositing the amount not exceeding the total retirement benefits, by applying in Form 1, or as near there to as possible, together with

- (i) a locally executed cheque, pay order or demand draft, for the amount of deposit, and
- (ii) a certificate from the employer indicating retirement benefits:

Provided that a depositor who has received the retirement benefits before the notification of this Scheme, may open an account within three months from the date of commencement of the scheme.

(b) On receipt of an application under sub-paragraph (a) above, the Accounts Officer shall open an account in the name of depositor and issue him a provisional receipt.

(c) After realisation of the cheque, pay order or demand draft as the case may be a pass book in Form 2 shall be issued in exchange of the provisional receipt indicating the name of the depositor, his address, the amount of deposit (s) made, and account number, duly initialled by an authorised official of the accounts office.

(d) Date of realisation of the cheque, pay order or demand draft shall be the date of deposit and the deposit shall be deemed to be made on that date only.

(e) A depositor may open only one account under this scheme, provided that where the retirement benefits have been received on different dates, more than one deposit can be made in this account such deposits shall be made within three months from the date of receiving that retirement benefit from the Government.

5. Deposits and Withdrawals—(a) The account shall be opened with a deposit of a minimum of one thousand rupees, and all deposits will be in the multiples of one thousand rupees.

(b) All withdrawals shall be in the multiple of one thousand rupees

(c) A depositor may, at his option, withdraw by applying in Form 3 or as near thereto as possible, the entire balance or part thereof after the expiry of three years from the date of deposits. Where depositor elects to make part withdrawal, the balance amount will be held as a deposit in the account.

(d) The depositor may also make premature withdrawal of principal amount subject to the condition specified in paragraph-7.

(e) There shall not be more than one withdrawal in respect of a deposit in a calendar year.

6. Interest on Deposits—(a) All deposits made in accordance with this scheme shall carry interest at the rate of 9 per cent per annum from the date of the respective deposits. The interest will be paid from the date of deposit to 30th June/31st December at the case may be and thereafter, interest will be paid half-yearly on the 30th June and 31st December. The interest in fraction of a rupee will be rounded off to the next higher rupee.

(b) Where on expiry of three years, the account is continued, the balance amount in the account will earn interest at the same rate till the account is closed.

(c) If so authorised, interest payable every six months may be deposited by accounts office in a separate savings account opened by depositor at that accounts office.

(d) Interest due on the deposits but not drawn on due date will continue to earn interest at 9 per cent as applicable to principal amount, so long as the interest remains in deposit.

7. Premature withdrawal—(a) No withdrawal can be made by the depositor during the first year from the date of the deposit.

(b) Where depositor makes a withdrawal of any amount after expiry of one year but before expiry of three years from the date of deposit, the interest on amount withdrawn will be payable at the rate of 4 per cent from date (s) of deposit up to the date of withdrawal. Interest at 9 per cent if already paid, being adjusted at the time of withdrawal.

8. *Joint Accounts & Nomination*—(a) The account may be opened by the depositor either in his name or jointly with his spouse.

(b) Where the account is held in a single name:

- (i) The depositor may at the time of opening the account or any time thereafter, but before closure of the account, nominate in Form 4, a person or persons, who in the event of his death shall receive the payment due on the account.
- (ii) A nomination made by depositor may be cancelled or varied by a fresh nomination in Form 5 by giving notice in writing to account office in which account stands.
- (iii) Every nomination and every cancellation or variation thereof shall be registered in the accounts office and shall be valid from the date of such registration, the particulars of which shall be entered in the Pass Book.

9. *Closure of Account*—(a) The account may be closed by the depositor on or after the expiry of three years from the date of initial deposit or last deposit where more than one deposit is made in the account.

(b) If the depositor dies within the period of three years, or thereafter, the account shall be closed as soon as death is reported to the bank and the amount paid to the nominee. Where, however, the deposit account is held jointly with the spouse or where the sole nominee is the spouse of the depositor, the spouse may, at his/her option, request for continuance of the account and the account then shall be continued in the name of such spouse on same terms and conditions as applicable to account.

10. *Pass Book*—The Pass Book shall be presented to accounts office at the time of collecting interest and also at the time of withdrawal and closure.

11. *Transfer from one accounts office to another*—A depositor may apply for transfer of his account from one accounts office to another accounts office due to change of his residence.

12. *Issue of duplicate Pass Book*—In the event of loss or destruction of a pass book issued by an accounts office, the office may, on an application made to it in this behalf, and on payment of rupee one by the depositor, issue a duplicate thereof to him.

13. *Power to relax*—Where the Central Government is satisfied that the operation of any of the provisions of this Scheme causes undue hardship to a subscriber, it may, be ordered, for reasons to be recorded in writing, relax the requirements of that provision.

By order of the President

K. V. R. NAIR

Addl. Secretary to the Govt. of India

FORM-1
(See Para.-4)

Name and address of Bank

Serial No.....

Form of application for opening an account under Deposit Scheme for Retiring Government Employees, 1989.

Name & Agency No. of Agent introducing the account.....

Signature of Agent.....

To
The Manager,
Bank of.....

Sir,
I hereby apply for opening an account under the Deposit Scheme for Retiring Government Employees, 1989, in my name and tender herewith Rs.....(Rupees.....)through cheque/pay order/demand draft as the initial deposit.
Permanent address of depositor

- 2. I agree to abide by the provisions of the above scheme
- 3. I hereby declare that I am not maintaining any other account under the scheme
- 4. A copy of certificate from employer indicating retirement benefits is enclosed
- 5. I nominate the persons mentioned below to whom, to the exclusion of all other persons, in the event of my death, the amount standing to my credit in the Account would be payable.

Serial No.	Name(s) of the Nominee(s)	Full address	Date of birth of nominee(s) in the case of minor	Proportionate amount for each nominee
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As the nominee(s) at Serial No.(s) specified above is/are minor(s), I appoint Shri/Smt./KumariAddress..... to receive the sum due under the said account in the event of my death during the minority of the nominee(s).

Signature of witness:
Name and address

Depositor

FOR THE USE OF ACCOUNTS OFFICE

The account has been opened on.....with Rs., under Deposit Scheme for Retiring Government Employees, 1989.

Account No.....

Pass Book No..... has been issued

Date.....

Authorized Officer

See Para-4(c)

Form of Pass Book to be issued to the Depositor under Deposit Scheme for Retiring Government Employees, 1989.

Cover Page

Observe

DEPOSIT SCHEME FOR RETIRING GOVERNMENT EMPLOYEES, 1989

PASS BOOK

Serial No.

Name & Address of Bank

Name of the Account Holder

Account No.

Ledger No.

Folio No.

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Reverse

Account No.

Name

Address

Date of Issue

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FORM—3

(See Para.—5(c))

Name and address of Bank

Application for withdrawal under the Deposit Scheme for Retiring Government Employees, 1989

To

The Manager,

Bank of _____

I wish to withdraw from the Deposit Scheme for Retiring Government Employees, 1989 Account No. _____ a sum of Rs. _____ (Rupees _____) A period of _____ years expired from the date of deposit.

2. The Pass Book No. _____ is enclosed.

Date:

Place:

Signature or Thumb Impression of Depositor.

To be used by the Accounts Office.

Date of initial deposit _____

Amount available in the account Rs. _____

Date on which last withdrawal was allowed _____

Amount available for withdrawal in accordance with Para. _____ of the Scheme.

Withdrawal of a sum of Rs. _____ sanctioned.

Signature of Official _____

RECEIPT

Received a sum of Rs. (Rupees) by way of withdrawal from Deposit Scheme for Retiring Government Employees, 1989.

Date:

Place:

Signature or Thumb Impression of Depositor

FORM-4

(See Para 8)

NOMINATION UNDER THE DEPOSIT SCHEME FOR RETIRING GOVERNMENT EMPLOYEES, 1989.

To

The Manager

Bank of

I, hereby nominate the person(s) mentioned below to whom, to the exclusion of all other persons, in the event of my death, the amount standing to my credit in the account under Deposit Scheme for Retiring Government Employees, 1989 Account No. at the time of my death would be payable.

Sl. No.	Name(s) of the Nominee(s)	Full address(es)	Date of birth of nominee(s) in case of minor.	Proportionate amount for each nominee
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*As the nominee(s) at Serial No.(s) specified above is/are minor(s), I appoint Shri/Smt./Kumari address to receive the sum due under the said account in the event of my death during the minority of the nominee(s).

Signature of witness :

Signature/Thumb Impression of Depositor

Name and Address :

Date

FOR THE USE OF ACCOUNTS OFFICE

The above nomination has been registered on and an entry made in the Pass Book.

Date :

Signature of Authorised Officer.

*Delete if not applicable

FORM-5

(See Para 8)

Cancellation or Variation of Nomination previously made in respect of Account No.
... under Deposit Scheme for Retiring Government Employees, 1989.

To

The Manager,

Bank of

I, the depositor under Deposit Scheme for Retiring Government
Employees, 1989. Account No. hereby cancel the nomination dated
..... made by me in respect of the aforesaid account.

*In place of the cancelled nomination, I hereby nominate the person (s) mentioned below who
shall on my death, become entitled to the payment of the sum due on the above account, to the exclu-
sion of all other persons.

Sl. No.	Name of the Nominee (s)	Full address	Date of birth of the nominee in case of minor	Proportionate amount for each nominee.
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1

2

3

4

5

*To be filled in case of variation only.

% As the nominee(s) at Serial No. (s) is/are minor(s), I appoint Shri/Smt./Kumari. (Name and full address) as the person to receive the sum due on the account in the event of my death during the minority of the nominee(s).

%Delete if not applicable

Depositor's Address

Signature/Thumb impression of depositor.

(1) Witness:

Name:

Address:

(2) Witness:

Name:

Address:

FOR THE USE OF ACCOUNTS OFFICE

The above cancellation/variation of the nomination has been registered in the ledger and entered in the Pass book.

Date:

Signature of the Authorised Officer

This cancellation will be recorded with the Pass Book in the ledger and entered in the Pass book.

PRESS NOTE

Finance Minister in his budget speech on the 28th February 1989 had proposed a new Savings Scheme for Retiring Government Employees with certain tax concessions. The Government has since notified the Deposit Scheme for the Retiring Central/State Government Employees. The deposit scheme will be implemented from the 1st July, 1989 by selected branches of the Public Sector Banks.

2. The Scheme will be open for investment by retired/retiring Central/State Government employees and the investments may be made up to the maximum of total of the retirement benefits received. The scheme provides for a period of three months from the date of receiving the retirement benefits for deposit, in case of the employees retiring in future and for those who have already retired, investment up to the maximum of retirement benefits already received may be deposited within three months from the 1st July, 1989.

3. Retirement benefits which can be deposited in the scheme will include:—

- (i) Balance at the credit of the employee in any of the Government Provident Funds
- (ii) Retirement/Superannuation Gratuity
- (iii) Commuted value of pension
- (iv) Cash equivalent of leave, and
- (v) Savings element of Government Insurance Scheme payable to employee on retirement.

Any employee desiring to open an account under this scheme will be required to produce a certificate from employer indicating the retirement benefits.

4. No withdrawals will be permitted for period of three years from the date of deposit although pre-mature withdrawal may be made any time after one year from the deposit subject to the special provisions made in the scheme regarding such pre-mature withdrawals. After expiry of three years from the date of deposit, depositor will have option to either withdraw the entire balance or part thereof and if depositor makes the part withdrawals, the balance amount will be held as a deposit in the account.

5. All deposits made under the scheme shall carry interest at the rate of 5% per annum and the interest will be paid every six months on the 30th June and 31st December. The interest due on the deposits if not drawn on the due date will continue to earn the interest at the same rate.

6. Nomination facility will be available

7. The account under the scheme may be opened by depositor either in his name or jointly with his/her spouse. If the depositor dies within a period of three years or thereafter, the account shall be closed and amount paid to the nominee. If the account is held jointly with his/her spouse or the spouse of the depositor is sole nominee spouse will be permitted to continue accounts on the same terms and conditions.

8. Depositors will be provided with the Pass Book indicating the amount deposited, amount withdrawn, interest, etc.

9. The whole of the interest earned on the deposits under the scheme is exempt from income-tax

10. The whole of the amount of deposits under this Scheme is exempt from wealth-tax. The ceiling of exemption of wealth up to Rs.5 lakhs will not apply to the deposits made in this Scheme.

11. The scheme which will be known as Deposit Scheme for Retiring Government Employees, 1989, will be initially operated through the selected branches of the State Bank of India/Associate Bank and other Nationalised Banks in all State Capitals and Union Territories. Depending upon the demand the facility of opening an account under this scheme will be extended to other Cities/Towns.

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

F. No.2/14/89-NS.II

New Delhi, the 30th June, 1989.

To

Chief Secretaries of all State Governments/U.Ts. Administration

Sub. : Deposit Scheme for Retiring Government Employees, 1989

Sir,

I am directed to state that in pursuance of the budget speech of Union Finance Minister on 28th February, 1989, Deposit Scheme for Retiring Government Employees has been notified on the 7th June 1989. The scheme is meant for a retired Central/State Government employee. A Copy of the notification and press note issued in this Department are enclosed. As per para. 4(a) (ii) of the scheme retiring employees desiring to open an account under the scheme are required to produce a certificate from employer, indicating retirement benefits. Based on this certificate, the bank branch will open an account. It is necessary to ensure that the retiring employees do not face any difficulty in obtaining the certificate from the employer for purpose of opening an account under the scheme. I am, therefore, to request you to issue suitable instructions to all concerned for issue of necessary certificate to enable the retiring employees to make deposits under the scheme without requiring them to approach the Accountant-General for this purpose. Copies of instructions may kindly be endorse to this Department.

Yours faithfully,

OM PAL SINGH

Under-Secretary to the Government of India,