

INVESTMENT OPTIONS FOR PEOPLE AFTER RETIREMENT

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1. Senior Citizen Saving Scheme:

It is one of the most attractive schemes for senior citizens. It offers interest @ 9% p.a. Government guarantees this scheme, thus making it completely secure. Person aging above 60 years can invest up to Rs. 15 lakh in it through ICICI bank, 24 government banks and post offices. People above the age of 55 years can also invest in it but with some conditions. You can invest minimum Rs. 1000 and maximum Rs. 15 lakhs. Interest is paid on quarterly basis on 31 March, 30 June, 30 September and 31 December.

The lock-in period in it is of 5 years which can be extended for 3 years. This scheme is good from the point of view of liquidity also and you can withdraw money from it before maturity by paying penalty of 1-1.5%. **Tax exemption of up to Rs. 1 lakh can be taken under section 80C.** But tax is payable on interest received and tax is deducted at source on amount exceeding Rs. 10,000. Presently, the fixed deposit schemes of 5 years are paying the interest equivalent to SCSS.

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