

SUKANYA SAMRIDDHI YOJANA

The Inside 'n Out – Episode Seven

The Sukanya Samriddhi Yojana, also known as girl child prosperity scheme is launched by Prime Minister Narendra Modi. The objective of this yojana is to promote the welfare of Girl Child. This yojana is to facilitate them proper education and carefree marriage expenses. It is also considered a part of the government's initiative to increase the percentage of domestic savings, which has reduced from 38% of the GDP in 2008 to 30% in 2013. This scheme will encourage parents to save for the education and future of their girl child.

The scheme has well been accepted by the masses in wake of the financial security and independence it would provide to the girl child as well as their parents and guardians.

Eligibility

- The account can be opened by the natural or legal guardian in the name of a girl child from the birth of the girl child till she attains the age of 10 years.
- A depositor can open and operate only one account in the name of a girl child under the scheme rules.
- Natural or legal guardian of a girl child can be allowed to open the account for two girl children only. The third account in the name of the girl child can be opened in the event of birth of twin girls, as second birth or if the first birth itself results into three girl children

Minimum Contribution

A minimum contribution of Rs. 1000 per account has to be deposited per year. A maximum of Rs.1,50,000 per account can be deposited. There is no limit in the number of deposits in a financial year. The money can be deposited through cash, cheque or draft. A penalty of Rs.50 will be imposed if the account is not credited with the minimum amount.

What is the rate of interest?

The scheme is offering an interest rate of 9.1% per year. However, it will be revised in April every year and the change will be communicated subsequently. The interest will be compounded yearly and directly credited to the account.

What is the Term Period?

The guardian is expected to deposit amount in the account only till the completion of 14 years. No deposits after that is required till the maturity of the account.

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When can one Close the Account?

The account can be closed only after the child turns 21. If the money is not withdrawn even after that, it will continue to earn the interest. A premature withdrawal (at the end of the previous financial year) of 50% of the accumulated amount is allowed after the girl child turns 18.

What about Premature Closure?

Allowed in the event of death of the depositor or in cases of extreme compassionate grounds such as medical support in life threatening diseases to be authorized by an order by the Central Government.

Tax Exemption

Investment in Sukanya Samriddhi Yojana scheme is exempted from Income Tax under section 80C. The scheme offers Tax Benefit under TripleE regimen ie. Principal, interest and outflow all are tax exempted.

What are the Advantages?

- High and best in market interest rates.
- Full tax benefits under 80C of Income Tax act.
- Maturity amount to be given directly to the girl child.
- Interest would be paid even after maturity of the account, if it is not closed by the account holder or depositor.
- No fixed number of deposits. The depositor can deposit a multiple of Rs 1,000 through out the year, with no limitation on number of deposits. This is indeed a big advantage of the scheme.
- Account can be transferred anywhere in India.
- Girl child / Account holder may operate her account, if she wishes to. This would give a lot of financial independence to the girl child as well.

Sukanya Samriddhi account can be opened in Post Offices or authorised Banks.

Thank You 😊 😊 😊

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