

SB Order No 07/2018

F.No.79-01/2016-SB
Government of India
Ministry of Communications
Department of Posts

DakBhawan, Sansad Marg,
New Delhi-110001.
Date: 29.06.2018

To

All Heads of Circles/Regions

Addl. Director General, APS, New Delhi.

Subject:-Deduction of TDS in respect of Senior Citizens who have invested in Sr. Citizen Savings Scheme regarding.

Sir / Madam,

I am directed to say that Government of India has amended Section 194A of Income Tax Act 1961 through Finance Act 2018 and inserted below new Proviso below Sub Section 3 of Section 194A:-

[Provided also that in case of payee being a senior citizen, the provisions of sub-clause (a), sub-clause (b), and sub-clause (c) shall have effect as if for the words "ten thousand rupees", the words "fifty thousand rupees" had been substituted.

Explanation.—For the purposes of this clause, "senior citizen" means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year;]

2. With this amendment, now TDS will not be applicable on the total aggregated interest income up to Rs.50,000/- in a Financial year payable in case of all SCSS Accounts opened by Senior Citizens of the age of 60 years and above (who attained age of 60 years anytime during the previous financial year i.e 2017-2018). However, this limit will not be applicable to those SCSS Account holders who had opened SCSS Accounts under the relevant provisions of relaxed SCSS Rules for (i) individuals who attained the age of 55 years or more but less than 60 years and retired on superannuation or (ii) Personnel of Defence Services (excluding Civilian Defence Employees) and not attained age of 60 years during previous financial year i.e 2017-18). For such account holders, current limit of Rs.10,000/- shall continue.

3. Rules relating to submission of Form 15G (by those who are below the age of 60 Years) and 15H (who are of 60 Years or more age) are not changed. However, due to change of tax exemption limits for certain categories, Form 15G or 15H can be accepted if total interest payable in a Financial Year of all SCSS Accounts of an individual SCSS account holder is within the Exemption Limit mentioned below:-

Individual Type	Form Type	Age	Income Exemption Limit
Individual	15G	Below 60 years	2,50,000
Senior Citizen (Individual)	15H	60-80 years	3,00,000
Super Senior Citizen (Individual)	15H	80 years above	5,00,000

4. It is requested to circulate this amendment to the concerned staff for information and necessary action. Necessary changes in CBS and Sanchaya Post applications are being carried out to implement the same in CBS Post Offices.

This issues with the approval of competent authority.

Yours faithfully,

(P. K. Meena)
Assistant Director (SB-I)

Copy to:-

- 1) 1. DDG (FS)/DDG (VIG)/JS&FA/DDG (PAF)/DDG (RB)/DDG (Estt.)/DDG(PG & Inspections)/ DDG (PCO)
- 2) Director (FS)/Director (CBS), Dak Bhawan.
- 3) Director of Audit (P&T), Delhi.
- 4) All Directors/Dy. Directors of Accounts, Postal
- 5) Director, RAKNPA, Ghaziabad.
- 6) All Directors, Postal Training Centres.
- 7) Director CEPT Mysore for uploading the SB order on India Post Web Site.
- 8) Dy. Director CEPT, DMCC/SDC O/o CPMG T.N.Circle for initiating necessary changes in CBS as well as Sanchaya Post Applications.
- 9) AD /Inspection/PF/Vigilance
- 10) All Accounts Officers ICO(SB)
- 11) All recognized unions.
- 12) MOF(DEA), NS-II, North Block, New Delhi
- 13) Director, NSI, CGO Complex, 'A' Wing, 4th Floor, Seminary Hills, Nagpur-440006
- 14) PS to Member (Banking & HR) 15. PPS to Secretary Posts.