

Government of India
Ministry of Finance
Department of Economic Affairs

RAJYA SABHA

STARRED QUESTION NO.18

TO BE ANSWERED ON TUESDAY 4th FEBRUARY, 2025

“IMPACT OF NSS INTEREST RATE REDUCTION ON RETIREES”

No.18

DR. MEDHA VISHRAM KULKARNI

Will the Minister of FINANCE be please to state:-

- (a) whether Government is aware that cutting the National Savings Scheme (NSS) interest rate to zero will significantly impact financial stability of retirees; and
- (b) if so, the details of immediate steps Government will take to mitigate the financial hardship caused by this sudden policy change, particularly for retirees who depend on this scheme for their income?

ANSWER

FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (b): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE RAJYA SABHA STARRED QUESTION NO.18 FOR 4TH February, 2025 BY DR. MEDHA VISHRAM KULKARNI REGARDING “IMPACT OF NSS INTEREST RATE REDUCTION ON RETIREES”

(a) to (b) The NSS-87 & NSS-92 schemes were introduced on 01.04.1987 & 01.10.1992 without any sunset clause. The total active accounts under all Small Savings Schemes are 39.92 crore, of which the accounts under NSS-87 & NSS-92 are also at 1.37 lakh & 29,000 respectively. Fresh deposit under NSS-87 & NSS-92 were discontinued from 01.10.1992 & 01.11.2002, respectively. The interest rate applicable under these schemes with effect from 01.03.2003 is 7.5%.

Currently, there are several ongoing small savings schemes which provides avenues of risk-free higher returns to investors e.g. Senior Citizen Savings Scheme with Interest rate 8.2%, Sukanya Samriddhi Account Scheme with Interest rate 8.2% and Mahila Savings Certificate Scheme with Interest rate 7.5%, etc. These could be availed for better returns.

Further, necessary action to safeguard the interests of investors has already been taken in Budget FY 2025-26.
