Small Savings Scheme

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Small Saving Schemes (SSSs) are an important source of household savings in India. Different small saving schemes have mobilized money from households and channelized it to the government so that the **centre and states can finance a part of their expenditure.** The Central Government operates Small Savings Schemes (SSS) through the **nationwide network of post offices, public sector banks, select private sector banks and small savings agents.**

Different Schemes

- **Post Office Deposits:** Post Office Savings Account, Post Office Time Deposits (1, 2, 3 and 5 years), Post Office Recurring Deposits, Post Office Monthly Account,
- **Savings Certificates:** National Savings Certificate (VIII Issue) and Kisan Vikas Patra
- **Social Security Schemes:** Public Provident Fund, Senior Citizens Savings Scheme and Sukanya Samriddhi Account

National Small Savings Fund (NSSF)

- National Small Savings Fund (NSSF) was **established in 1999 within the Public Account of India** for pooling the money from different SSSs.
- Collections from all small savings schemes are credited to the NSSF. Similarly, withdrawals under small savings schemes by the depositors are made out of this Fund.
- The money in the account is used by the Centre and States to finance their fiscal deficit. The **balance in the Fund is invested in Central and State Government securities.**
- Funds collected under SSS are the **liabilities of the Union government** accounted for in the Public Accounts of India and **the government acts like a banker or trustee.**
- As per the recommendations of the 14th Finance

Commission, the **government has excluded states (except four states) from the use of Small Saving Scheme money. This is because the SSSs have slightly higher interest rates than the loans procured by states.**

- The NSSFs will be used by the centre and the interest and principal will be the liability of the central government. **Previously, states have used the proceeds from NSSF.**