

**F. No. FS-13/7/2020-FS
Govt. of India
Ministry of Communications
Department of Posts
(FS Division)**

Dak Bhawan, New Delhi-110001

Dated: 13.10.2021

To,

All Head of Circles/Regions

Subject: - Regarding adjustment of interest through HINTTM menu for premature closure of PPF account, deceased claim closure of SCSS/SSA account in CBS post offices and payment of excess deposit amount in MIS in case of death of joint account holder.

Sir/Madam,

This office is receiving many representations from customers regarding the delay in settlement of PPF premature closure, settlement of SCSS and SSA deceased claim closure and refund of excess deposit amount from MIS account in case of death of joint account holder(s) due to processing of **HINTTM** menu through concerned Head Post Office. The issue was examined and necessary modification has been made in Finacle.

2. Accordingly, I am directed to say that, henceforth the CBS Post Offices shall follow the following procedure for premature closure of PPF accounts, settlement of deceased claim closure in SCSS/SSA and excess amount refund from MIS account: -

Usage of HINTTM menu.

- Any change in **HINTTM** menu should be done before account closure is attempted; modifying the interest rate in **HINTTM** after invoking closure will lead to incorrect interest calculation and issues in the verification of closure.
- Changes done in **HINTTM** should be verified immediately and then the user should proceed for account closure operation.

3. SSA Death Claim Closure: - As per rule 7(2) of Sukanya Samriddhi Account Scheme, 2019 in case of death of account holder ***“the Interest for the period between the date of death of the account holder and date of closure of the account shall be paid at the rate applicable on Post Office Savings Account for the balance held in the account”***. Accordingly, the interest rate is to be configured through the **HINTTM** menu in Finacle by the concerned CBS post office in case of SSA death claim closure before the closure of such account. The following procedure is to be followed by the concerned CBS post office in Finacle: -

a) Counter PA

- Run menu HINTTM
- Select Function = M – Modify
- Entity Type = A-Accounts
- Entity ID = SSA Account number
- Go
- Interest Table Code = SBRAT

- Start Date = Date of death of account holder+1 (For example in case depositor dies on 03-04-2021, date to be entered as 04-04-2021)
- End Date = 31-12-2099
- Submit

b) - Supervisor

- Run menu **HINTTM**
- Select Function = V – Verify
- Entity Type = A-Accounts
- Entity ID = SSA Account number
- Go
- Verify the account number and date of the applicable SB Interest rate.
- Submit

Note: - 1. After configuration of SB Interest rate from the date of death, counter PA shall follow the procedure for account closure.

2. During the closure of the account through the **HCAAC** menu, the option for the field ‘Apply Interest till Date’ is to be selected as YES in the CLOSURE tab.

4. SCSS Death Claim Closure: - As per rule 7(2) of Senior Citizens Savings Scheme, 2019 in case of death of account holder the “**Interest for the period between the date of death of the account holder and date of closure of the account shall be paid at the rate applicable on Post Office Savings Account for the balance held in the account**”. Accordingly, the interest rate is to be configured through the **HINTTM** menu in Finacle by the concerned CBS post office in case of SCSS death claim closure before the closure of such account. The following procedure is to be followed by the concerned CBS post office in Finacle: -

a) Counter PA

- Run menu HINTTM
- Select Function = M – Modify
- Entity Type = A-Accounts
- Entity ID = SCSS Account number
- Go
- Interest Table Code = SBRAT
- Start Date = Date of death of account holder+1 (For example in case depositor dies on 03-04-2021, date to be entered as 04-04-2021)
- End Date = 31-12-2099
- Submit

b) - Supervisor

- Run menu HINTTM
- Select Function = V – Verify
- Entity Type = A-Accounts
- Entity ID = SCSS Account number
- Go
- Verify the account number and date of the applicable SB Interest rate.
- Submit

Note: - i. After configuration of SB Interest rate from the date of death, counter PA shall follow the procedure for account closure.

ii. During closure through **HCAACTD**, the current BOD date is to be entered as the Closure Value Date. Then, interest till the date of death will be calculated @ SCSS rate and interest from the next day to date of closure will be calculated @SB rate.

iii. If the SCSS account has already matured and the date of death falls before maturity, then there is no provision to change the rate of interest in **HINTTM**. In such cases interest is to be recovered (if any) and needs to be calculated by the concerned post office and **HIARM** entry is to be done by In-charge, SBCO after getting approval from Head Postmaster/Divisional Head **with applicable date as BOD date for Debit Interest & Credit run indicator**.

iv. Amount entered as IAR will get recovered from principal amount during closure. Trial closure must be done for checking whether 'Adjusted Amount' shown in the Closure result screen is in minus value, before proceeding with actual closure.

5. Premature Closure of PPF account: - As per rule 13 of Public Provident Fund Scheme 2019, PPF account can be prematurely closed after expiry of 5 years from the end of the year in which the account was opened in the following conditions: -

(a) treatment of life-threatening disease of the account holder, his spouse or dependent children or parents, on the production of supporting documents and medical reports confirming such disease from treating medical authority;

(b) higher education of the account holder, or dependent children on the production of documents and fee bills in confirmation of admission in a recognized institute of higher education in India or abroad;

(c) on change in residency status of the account holder on production of the copy of Passport and visa or Income tax return

In case of premature closure of PPF account in above situations the applicable interest rate on these accounts is ***"interest in the account shall be allowed at a rate which shall be lower by one per cent. than the rate at which interest has been credited in the account from time to time since the date of opening of the account, or the date of extension of the account, as the case may be"***.

For premature closure of PPF account, the following procedure shall be followed by CBS post offices: -

A). If PPF account is opened or extended in Finacle: - The concerned CBS post office shall obtain the document prescribed in para 5 above, along with passbook & account premature closure form from the account holder(s)/guardian, as the case may be.

a) Counter PA

- Run menu HINTTM
- Select Function = M – Modify
- Entity Type = A-Accounts
- Entity ID = PPF Account number
- Go
- Interest Table Code = PFPMC
- Start Date = Date of account opening or date of account extension (i.e.1st April)
- End Date = 31-12-2099
- Submit

b) – Supervisor

- Run menu **HINTTM**
- Select Function = **V** – Verify
- Entity Type = A-Accounts
- Entity ID = PPF Account number
- Go
- Verify the account number and date of applicable **PFPMC** interest code and date.
- Submit

ii) After performing the above steps, closure is to be initiated through **HCAAC** with closure reason code as **PFPMC**.

iii) Document related to premature closure shall be attached with the account premature closure form and forwarded to SBCO along with other vouchers.

B). If PPF account was migrated or transfer in from Bank in Finacle: -

i) The concerned CBS post office shall obtain the document prescribed para 5 above as the, along with passbook & account premature closure form, from the account holder(s)/guardian, as the case may be.

ii) In case the account stands in Sub Post Office or Branch Post Office, the Concerned CBS post office shall verify the PPF account details in Finacle with the application of premature closure form (in duplicate) and attached document(s)

iii) Thereafter, concerned SPM shall forward one copy of the account premature closure form along with document(s) to concerned HPO for adjustment of interest for pre-migration/pre-transfer period & Closure of account. One copy of the Account premature closure form shall be retained in a Guard File.

iv) After receipt of documents for premature closure form, APM (SB) of HO shall check documents received for premature closure.

v) If documents are in order, APM (SB) of HPO shall calculate interest to be adjusted before migration/transfer in period and take approval from Postmaster of HPO. (It shall be ensured that interest adjustment is to be done up to the month of migration of account/date of transfer in (-1)).

vi) In the case of a PPF account is an extended account, interest adjustment is to be done from the date of extension.

vii) Postmaster of HPO shall approve the interest adjustment and direct Incharge, SBCO to check the correctness of interest adjustment to be done and to make interest adjustment entry in respective PPF account through **HIARM** menu.

viii) Incharge, SBCO shall check interest calculation and post interest correction entry in the **HIARM** menu.

ix) Next day this account can be closed at the HO level. APM (SB) of HPO should first transfer the account from SO to HPO.

x) Head Post Office shall follow the below-mentioned procedure in Finacle for premature closure of such accounts: -

a) Counter PA

- Run menu **HINTTM**
- Select Function = M – Modify
- Entity Type = A-Accounts
- Entity ID = PPF Account number
- Go
- Interest Table Code = PFPMC
- Start Date = Date will be auto-populated (either 1st day of the next month of migration or date of transfer in)
- End Date = 31-12-2099
- Submit

b) – Supervisor

- Run menu **HINTTM**
- Select Function = V – Verify
- Entity Type = A-Accounts
- Entity ID = PPF Account number
- Go
- Verify the account number and date of applicable PFPMC interest code & date.
- Submit

ii) After performing the above steps, closure is to be initiated through **HCAAC** with closure reason code as **PFPMC**, and payment mode is either credit in account holder's PO savings account or by Cheque.

iii) Document(s) related to premature closure shall be attached with the account premature closure form and forwarded to SBCO along with other vouchers.

iv) If payment is made by Cheque, HPO should send the cheque to the concerned SO duly entered in SO Slip.

v) On receipt of cheque SPM, will hand over the cheque to the depositor after taking receipt on the Account Premature Closure Form retained by SO as mentioned in para B (iii) Above. This Account premature Closure Form shall be sent to HPO for onward transfer to SBCO. SBCO shall attach this Account Premature Closure Form with the copy of the Account Premature Closure Form received from SO/HPO.

6. Closure of MIS account when deposit exceeds limit due to death of joint holder /

disclosure by depositors / audit objection: - In case an individual has crossed the maximum limit prescribed for MIS account, the following procedure should be followed by the concerned CBS post office for adjustment of interest through **HINTTM** menu.

- Closure of account as a whole:** Interest rate should be modified as **SBRAT** using **HINTTM** as explained below. Account should be closed using **HCAACTD** with current BOD date as closure value date, closure reason code as NORML and 'Collect Penal Int' flag as No.

a) Counter PA

- Run menu **HINTTM**
- Select Function = M – Modify
- Entity Type = A-Accounts
- Entity ID = MIS Account number
- Go
- Interest Table Code = SBRAT
- Start Date = Date up to which MIS interest is applicable + 1 (For example one of the joint depositors died on 03-04-2021, date to be entered as 04-04-2021)
- End Date = 31-12-2099
- Submit

b) Supervisor

- Run menu **HINTTM**
- Select Function = V – Verify
- Entity Type = A-Accounts
- Entity ID = MIS Account number
- Go
- Verify the account number and date of the applicable SB Interest rate.
- Submit

ii. Closure of account partially, to the extent of excess deposit:

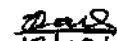
Interest rate need not be modified in HINTTM. Closure should be done using **HCAACTD** as follows to ensure that SB interest will be applied for the amount being withdrawn:

- In **HCAACTD** criteria screen excess deposit amount has to be entered instead of the entire principal amount
 - Closure value date should be current BOD date
 - Closure reason code should be entered as **NORML** in Closure Exceptions tab
 - After this, Interest Code field gets enabled in Closure Details tab
 - **SBRAT** should be entered in the Interest Code
 - Submit
- iii. If the MIS account has already matured and the date of death/excess deposit falls before maturity, then there is no provision to change the rate of interest in **HINTTM**. Interest to be recovered, if any, needs to be calculated by SOL/SBCO and **HIARM** entry with applicable date as BOD date should be done for Debit Interest & Credit run indicator. Amount entered as IAR will get recovered from principal amount during closure.
- iv. In all the scenarios explained above, SOL user should check Trial Closure in **HCAACTD** prior to actual closure, to ensure that interest calculation happens as expected.

7. It is requested to circulate this amendment to all CBS Post Offices for information, guidance, and necessary action.

8. This issues with the approval of Competent Authority.

Yours Sincerely


13/10/2021.

(Devendra Sharma)
Assistant Director (SB-II)

Copy to: -

1. Sr. PPS to Secretary (Posts)
2. Sr. PS to Director General (Postal Services)
3. PPS/ PS to Addl. DG (Co-ordination)/Member (Banking)/ Member (O)/ Member (P)/ Member (Planning & HRD)/ Member (PLI)/ Member (Tech)/AS & FA
4. Addl. Director General, APS, New Delhi
5. Chief General Manager, BD Directorate / Parcel Directorate / PLI Directorate
6. Sr. Deputy Director General (Vigilance) & CVO) / Sr. Deputy Director General (PAF)
7. Director, RAKNPA / GM, CEPT / Directors of all PTCs
8. Director General P & T (Audit), Civil Lines, New Delhi
9. Secretary, Postal Services Board/ All Deputy Directors General
10. All General Managers (Finance) / Directors Postal Accounts / DDAP
11. Chief Engineer (Civil), Postal Directorate
12. All Sections of Postal Directorate
13. All recognized Federations / Unions/ Associations
14. GM, CEPT for uploading the order on the India Post website.
15. MOF (DEA), NS-II, North Block, New Delhi.
16. Joint Director & HOD, ICCW Building, 4 Deendayal Upadhyay Marg, New Delhi-110002
17. Guard File
18. Spare copies.