The amount that is deposited under **Sukanya Samriddhi Account** will be eligible for income tax exemption under Section 80C of Income Tax Act, 1961.

At present, only the contribution of up to Rs 1.5 lakh toward Sukanya Samridhi Yojana is eligible for tax deduction under Section 80C. But discussions are on to also exempt the interest income and withdrawal amount. We can expect a formal announcement on this in the coming Union Budget 2015-16.

(Issue of making interest income and withdrawal exempt from taxation can be done by Department of Revenue (DoR) through legislative amendments. The matter is under examination of DoR)

Sukanya Samriddhi Account (SSA) deposits eligible for deduction u/s 80C of Income Tax Act, 1961 : Click Here

Sukanya Samriddhi Account vs Public Provident Fund (PPF)

Both Sukanya Samriddhi Account (SSA) and Public Provident Fund (PPF) aims to seed the savings habit but both schemes have their own pros and cons.

Stressing on the girls role in making the India competitive and prosperous nation, Prime Minister Shri Narendra Modi has today launched a new small savings account for the girl child "Sukanya Samriddhi Account" as an integral part of the "Beti Bachao-Beti Padhao" campaign.

Sukanya Samriddhi Account was initially introduced by Shri Arun Jaitely in his maiden budget speech but has been officially launched today by Prime Minister Shri Narendra Modi. He has handed over bank account details to five girls under the "Sukanya Samridhi Yojna" (girl child prosperity scheme).

Sukanya Samridhi Yojna is a special deposit scheme for girl child only but one another popular scheme to benefit child (irrespective of girl or boy) is Public Provident Fund (PPF).

Let's see the difference between Sukanya Samriddhi Account and Public Provident Fund (PPF)

Sukanya Samriddhi Account vs Public ProvidentFund (PPF)

Points of Difference	Sukanya Samriddhi	Public Provident Fund

	Account (SSA)	(PPF)
For whom	Only for Girl Child.	For every Indian Citizen.
Age Limit	From the birth till she attains age of 10 years.	No age limit.
By whom	By the girl child who has attained the age of 10 years or by the natural or legal guardian.	By the Individual but by the natural or legal guardian for the minor child.
Where to open	Post office and nationalized banks but not private banks.	Post office and nationalized banks, including private banks.
Number of Account	One account for each girl child, maximum up to 2 or 3 accounts if twin girls are born in the second birth or triplets are born in the first birth.	Each Individual can hold only one account in his name.
Minimum Contribution	Rs.1,000	Rs.500
Maximum Contribution	Rs.1.5 lakhs in all accounts.	Rs.1.5 lakhs in all accounts.
Interest Rate	**9.1% per annum for fiscal year 2014-15.**	**8.70% per annum for fiscal year 2014-15.**
Tax Benefit on the Contribution	Contributed Amount will be deductible u/s 80C.	Contributed Amount will be deductible u/s 80C.
Tax Benefit on the interest earned	At present no tax benefit is announced for the interest earned. A mere sum of Rs.1,5o0 will be deductible u/s 10(32) .	Interest Earned is tax free under PPF.
Time Period of contribution	Minimum tenure of contribution is 14 years from the date of opening of account.	Minimum 15 years and then in blocks of 5 years.
	21 years from the date of	15 years from the fiscal

Maturity	opening of account.	year of opening of account.
Penalty	Rs.50 per year if minimum contribution is not made.	Rs.50 per year if minimum contribution is not made.
Mode of Deposit	Cash or Demand Draft or Cheque	Cash or Demand Draft or Cheque
Premature Withdrawal	Allowed up to 50% for the girl's higher education and marriage after she attains 18 years of age	No premature withdrawal is allowed except in case of death of the account holder.
Loan	No loan can be taken on the SSA balance.	Loan can be taken from the third year of opening of account to the sixth year.
Taxation on Maturity	No tax will be levied on the maturity amount.	No tax will be levied on the maturity amount.

Note:

1. Interest rate under both the schemes will be notified each year by the Government.
2. Interest will be compounded yearly under both schemes.
3. Loan on the PPF balance is restricted to 25% of the balance at the end of 2nd year.
4. At present interest earned on SSA account is taxable in the hands of guardian but it may get tax rebate in the upcoming budget.
5. Contributed amount get deduction u/s 80c up to Rs.1.5 lakhs including all other eligible investments.

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Sukanya Samriddhi Calculator

Year	Age of Girl Child	Opening Balance	Monthly Contribution	Yearly Contribution	Intrest Rate @9.1%	Closing Balance
2015	1	-	1000	12,000	592	12,592
2016	2	12,592	1000	12,000	1,737	26,329
2017	3	26,329	1000	12,000	2,987	41,316
20	4	41,316	1000	12,000	4,351	57,668

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2019	5	57,668	1000	12,000	5,839	75,507
2020	6	75,507	1000	12,000	7,463	94,969
2021	7	94,969	1000	12,000	9,234	116,203
2022	8	116,203	1000	12,000	11,166	139,369
2023	9	139,369	1000	12,000	13,274	164,643
2024	10	164,643	1000	12,000	15,574	192,217
2025	11	192,217	1000	12,000	18,083	222,300
2026	12	222,300	1000	12,000	20,821	255,121
2027	13	255,121	1000	12,000	23,808	290,929
2028	14	290,929	1000	12,000	27,066	329,995
2029	15	329,995	-	-	30,030	360,024
2030	16	360,024	-	-	32,762	392,787
2031	17	392,787	-	-	35,744	428,530
2032	18	428,530	-	-	38,996	467,526
2033	19	467,526	-	-	42,545	510,071
2034	20	510,071	-	-	46,416	556,488
2035	21	556,488	-	-	50,640	**607,128**

Maturity Value :

Amount of Deposit : 14 Years x 12 Months x Rs. 1000 = 1,68,000 + Interest= 4,39,128 = **6,07,128**(Approximately

SB Order 02/2015 : Introduction of new scheme "Sukanya Samriddhi Account" under Small Savings Scheme from 22.01.2015. : View