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# Bank Fixed Deposits (FDs): Five Rules You May No

**Bank fixed deposits with maturity period of up to 10 years are also offered by some banks.**

Your Money | Edited by Surajit Dasgupta | Updated: May 04, 2018 14:08 IST



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Bank FDs: Senior citizens are entitled to higher income deductions on interest income from this fiscal.

For investors looking for a guaranteed or regular income, bank fixed deposits or bank FDs remain very popular investment options. Many b options of opening fixed deposits online. Maturity period of up to 10 years are also offered by some banks. Premature closures of fixed dep to applicable charges. Investors can earn interest monthly/quarterly/half-yearly or yearly basis according to their convenience. Fixed depos loan/overdraft facility against fixed deposits. SBI, for example, offers loans/overdraft facility of up to 90 per cent of the principal deposit, acc website.

1) From this financial year, starting April 1, 2018, senior citizens will get higher interest income exemption limit on deposits in banks and pc recurring deposits. Under the new tax laws, a new Section 80TTB has been inserted to allow a deduction up to Rs.50,000 in respect of inter deposits held by senior citizens. Currently, a deduction up to Rs. 10,000 is allowed under Section 80TTA of the Income Tax Act to an individ interest income from a savings account. However, no deduction under Section 80TTA shall be allowed for senior citizens.

For senior citizens, it does not matter whether deposit with banks or post offices in question was made before or after April 1, 2018, says S of Taxmann. Interest income is deductible only if it is from deposits with a bank or co-operative bank or post office, he says.

2) TDS Provisions: Banks deduct TDS or tax deducted at source at the rate of 10 per cent on the interest earned on fixed deposits, if the int year is more than Rs. 10,000. From 2015, TDS provisions have also been made applicable on the interest earned on recurring deposits. For citizens, Budget 2018 raised the threshold for deduction of tax at source on interest income to Rs. 50,000 from Rs. 10,000.

3) You can access the details of TDS deducted by viewing your Form 26AS. This is basically your tax credit statement which shows all taxe Income Tax Department. You can access Form 26AS from the tax department's website. This helps you ascertain whether the tax deducter deposited with the government. "It is extremely important to go through the Form 26AS to ensure that all due credits for TDS deducted from FD interest, etc. are duly accounted for," said Sandeep Sehgal, director of tax and regulatory at Ashok Maheshwary & Associates LLP. In cas tax credit, investors should approach the banks, says tax experts

4) It should be noted that all bank fixed deposits are not eligible for income tax benefits. Under Section 80C on the Income Tax Act, investr a scheduled bank with maturity of five years or more is eligible for deduction, subject to a maximum of Rs. 1.5 lakh. For example, SBI offers deposit for a minimum tenure of five years and maximum of 10 years under tax-saving scheme. There is lock-in period of five years in case FDs and you can't avail any loan against the term deposits opened under tax savings scheme.

5) Form 15G/ Form 15H: Many banks allow fixed deposit holders to submit their 15G/15H forms online. Forms 15G/15H are self-declaratio individual stating that his or her income is less than the taxable limit. To prevent the bank from deducting TDS, depositors can submit Form bank. If one fails to do so, the person will need to claim the tax refund by filing his/her income tax return.

*(Except for the headline, this story has not been edited by NDTV staff and is published from a syndicated feed.)*