PPF vs Sukanya Samriddhi Scheme

PPF Vs SSY		
	PPF	SSY
Eligibility	Indian citizen,including minor	Girl child upto 10 years age
Maturity	After 15 years	21 years from account opening or at the time of marriage of girl child after attaining age of 18 years
Return Type	Govt-guaranteed returns	Govt-guaranteed returns
Rate of Return	7.1% (Keeps changing)	8% (Keeps changing)
Minimum Annual Contribution	Rs.500	Rs.250
Partial Withdrawal	After 5 years of investment	After 18 years of age of girl child
Tax Benefit	Up to Rs.1.5 lakh deductible under Section 80C	Up to Rs.1.5 lakh deductible under Section 80C

Both Public Provident Fund (PPF) and Sukanya Samriddhi Yojana (SSY) are investing schemes backed by the Government of India.

Investment in both the schemes are eligible for tax deductions under Section 80C of the Income Tax Act, allowing individuals to claim deductions of up to Rs 1.5 lakh.

Certain differences between the two investment schemes :

1. SSY is a scheme specifically for the welfare of girl children, aimed at securing their future, while PPF aims to build a retirement corpus.

What is PPF?

The government of India launched the Public Provident Fund (PPF) in 1965 as a retirement savings option for individuals working in the unorganised sector or those who are not covered by the Employees' Provident Fund scheme.

PPF vs Sukanya Samriddhi Scheme

The goal of the PPF was to provide a way for these individuals to build a retirement corpus. The product is available at post offices throughout the country, making it accessible to many citizens.

The PPF has a 15-year lock-in period and offers a guaranteed interest rate on invested money. It also has tax benefits under Section 80C of the Income Tax Act, allowing individuals to invest up to Rs 1.5 lakh per financial year and claim deductions on those investments.

The current interest rate for the PPF is 7.1%.

Due to the guaranteed returns and low risk, the PPF is a popular choice among risk-averse investors.

What is SSY?

The Government of India's "Sukanya Samriddhi Yojana" was launched in 2015 as part of the "Beti Bachao Beti Padhao" campaign to encourage savings for the future and prosperity of girl children.

The SSY has 21 year lock-in period and offers you a guaranteed return on maturity. The minimum investment is Rs. 250, and the maximum is Rs. 1.50 lakh per year for a total investment tenure of 15 years.

The government sets the interest rate for the Sukanya Samriddhi Yojana every quarter.

PPF vs Sukanya Samriddhi Scheme

As of the quarter ended, December 2022, the interest rate is 8% per year, compounded annually.

Both the schemes have different objectives under which the basis it was set up and serve different needs as per the profiles of the investors