

PRODUCTS THAT HELP SAVE TAX

Product	Returns (%)	Safety	Lock-in period	Tax treatment**	Investment (Minimum and maximum)	Recommendation
PPF	Fixed 8.70*	Secure	15 years	Exempt	Minimum: ₹500 Maximum: ₹1,50,000	For long-term, risk free, secure investment
EPF and VPF	Fixed 8.75*	Secure	Up to retirement or withdrawals after 5 years are tax free	Withdrawals before 5 yrs are taxable	12% of basic pay for EPF. No restriction for VPF	Mandatory for employees, contribution eligible under Section 80C
Tax-saving FDs	Varies 7-8*	Secure	5 years	Interest is taxable	Minimum: ₹100 Maximum: ₹1,50,000	Best for senior citizens with high exemption limit
ELSS	Market-linked	High risk	3 years	Exempt	Minimum: ₹500 Maximum: No restriction	Suit those with some risk appetite. Stay invested for 5-7 yrs
Retirement MFs	Market-linked	Medium risk	Varies	Exempt	Minimum: ₹500, Maximum: No restriction	Suit those with some risk appetite. Stay invested for 5-7 yrs
Ulips	Market-linked	High risk	5 years	Exempt	Minimum: ₹500, Maximum: No restriction	High fund charges and not a great insurance product
Pension Plans	Market-linked	Medium risk	Restricted	Exempt	Minimum: ₹500, Maximum: No restriction	Have low liquidity
NPS	Market-linked	Low risk	Partial withdrawal possible before retirement subject to conditions	Withdrawals are taxable	Minimum: ₹6,000 for Tier-I, ₹2,000 for Tier-II, Maximum: ₹50,000 to get tax benefit	Attractive tax benefits under Section 80CCD(1B) but low liquidity
Sukanya Samridhi Account	Fixed 9.2*	Secure	50% after the child is 18 yrs. Maturity at 21 yrs or at the time of marriage	Exempt	Minimum: ₹1,000, Maximum: ₹1,50,000	Long-term, risk free, secure investment that offers high returns

* Government can revise rates each year; ** Returns and withdrawals; PPF: Public Provident Fund; EPF: Employees' Provident Fund; ELSS: Equity-linked savings scheme; Ulips: Unit-linked insurance plans; NPS: National Pension System; VPF: Voluntary Provident Fund
Source: ClearTax