Public Provident Fund (PPF)

A 15-year, government-backed, fully tax-free savings scheme.

7.1% p.a. | EEE – fully tax-free

In brief

Suits	Long-term, guaranteed savings for the debt part of a plan; anyone resident, one account each.
You get	7.1% a year, compounded yearly, set by the government each quarter.
Your money	15-year account; loans from year 3, partial withdrawals from year 7.
Tax	Interest and maturity tax-free; the deposit is deductible only in the old regime.
Watch for	Deposit by the 5th of the month (or 5 April for a yearly lump sum) to earn that month's interest.

Key facts

Interest rate	7.1% p.a. (compounded yearly)
Tenure	15 years (extend in 5-year blocks)
Deposit / year	₹500 min · ₹1.5 lakh max
Tax	EEE, deposit (80C), interest & maturity all tax-free
Risk	Sovereign-backed, capital fully guaranteed

What's new

Sep 2026	Rates for October–December 2026 were kept unchanged; PPF stays at 7.1%.
Apr 2026	The Income-tax Act 2025 replaced the 1961 Act. The PPF deduction is now section 123, with the same ₹1.5 lakh limit.

> The full guide answers 31 questions on PPF, from eligibility to tax and withdrawals: merasip.com/guides/ppf. To talk it through, WhatsApp 60039 03737.

Sources: Ministry of Finance notification of 30 Sep 2026 – small-savings rates, Oct-Dec 2026; Business Standard / Business Today on the MoF notification, 30 Sep 2026; TaxGuru: Chapter VIII deductions under the Income-tax Act 2025.

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