

A RETIRED BANKER'S FIELD GUIDE

Safeguarding Your Golden Years

Essential Precautions Every Senior Citizen Must Take While Investing and Protecting Hard-Earned Savings

Inside this Guide

- Safety of capital and the asset-allocation mix that suits your age
- Liquidity, health insurance and emergency planning
- Which mutual fund categories actually suit a retiree
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- Protecting yourself from digital scams and cyber fraud

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● A Word Before We Begin

Forty-odd years in banking taught me one lesson that no certificate course ever covers: the money that is hardest to earn is the easiest to lose carelessly in old age. A senior citizen rarely gets a second chance to recover from a wrong financial decision. There is no more "next increment," no more "next promotion," no more long working years left to make up for a loss. That is precisely why the rules of investing change once we cross sixty, and why this guide exists.

What follows is not a list of "hot tips" or "best schemes of the year." It is a set of guardrails — the same guardrails I would set, and have set, for my own retirement corpus. Read it once fully, then keep it as a ready reference. Discuss it with your spouse and children. And please, verify every interest rate quoted here on the date you actually invest, because rates on small savings schemes are revised every quarter by the Government of India.

1 Safety of Capital — The Non-Negotiable First Rule

At this stage of life, the order of priority is not "return on capital" but "return OF capital." A retiree who chases an extra 1–2% return by parking money in an unrated NBFC deposit, an unlisted company's "fixed return" scheme, or a builder's "assured return" property plan is taking a risk that a salaried 30-year-old can afford to take, but a 65-year-old with no replacement income cannot.

My simple yardstick

Before investing a single rupee, ask: "Is this instrument backed by the Government of India, the RBI, a scheduled bank, or a SEBI-regulated mutual fund?" If the answer is no, treat it as speculative, however attractive the brochure looks.

A few practical safety checks I follow and recommend:

- Bank fixed deposits are protected by the DICGC (Deposit Insurance and Credit Guarantee Corporation) only up to **₹5 lakh per depositor per bank** (covering principal and interest together). If you hold a larger sum, spread it across two or three sound banks rather than parking everything in one place.
- Government-backed instruments (SCSS, Post Office schemes, RBI Bonds, PPF) carry a sovereign guarantee and have no upper safety ceiling — this is why they should form the bedrock of a retiree's portfolio.
- Be deeply sceptical of any agent, relative, or "wealth manager" who promises returns of 12–15% per annum "guaranteed" with no risk. No legitimate instrument offers this combination today.
- Never invest in unlisted shares, chit funds, or "deposit collection" schemes run by entities not regulated by RBI/SEBI/IRDAI, however well-known the promoter's name.

2 Liquidity — Keep an Emergency Cushion Always Ready

A medical emergency, a sudden family need, or a household repair does not wait for your fixed deposit to mature. Locking away every rupee in 5-year instruments to chase a slightly higher rate is a common and avoidable mistake.

A workable liquidity ladder

- ✓ 3–6 months of household expenses in a savings account or sweep-in FD, withdrawable instantly
- ✓ A further 6–12 months of expenses in liquid mutual funds or short-tenure (1-year) bank/post office FDs, redeemable within 1–2 working days
- ✓ The balance can go into longer-tenure instruments such as SCSS, 5-year FDs, RBI Bonds, etc.

Also keep ₹10,000–15,000 in cash at home for genuine emergencies, and ensure your spouse or a trusted family member knows where it is kept and how to access your bank account if you are hospitalised.

3 Health Insurance — With an Adequate Top-Up

Medical inflation in India runs well ahead of general inflation. A single hospitalisation for a cardiac or orthopaedic procedure can easily cost ₹5–15 lakh in a good private hospital. No amount of careful investing protects your corpus if a single hospital bill can wipe out years of savings.

- **Base health policy:** Maintain an adequate base mediclaim/health policy even after retirement. If your employer-linked or bank retiree health scheme is inadequate, supplement it with an individual senior-citizen health policy — most insurers now offer dedicated senior citizen plans, though premiums rise with age and pre-existing conditions need careful disclosure.
- **Super top-up policy:** This is the single most cost-effective tool available to seniors. A base policy of, say, ₹5 lakh combined with a super top-up of ₹15–20 lakh (with a deductible matching the base cover) gives you ₹20–25 lakh of effective cover at a fraction of the premium a similar standalone large-sum-insured policy would cost.
- **Disclose honestly:** Never hide pre-existing conditions to get a lower premium — this is the single biggest reason claims get rejected at the worst possible time.
- **Cashless network:** Check that hospitals near your residence are in the insurer's cashless network before you need one urgently.
- **Critical illness rider:** Consider a critical illness cover for cancer, stroke, and major cardiac conditions, which pays a lump sum on diagnosis regardless of actual treatment cost.
- Set a calendar reminder for premium renewal — a lapsed policy at this age is very difficult, and sometimes impossible, to revive or replace.

Do not skip this for cost reasons

I have seen retirees cancel health insurance to "save the premium" after a few claim-free years, only to face a major hospitalisation soon after. The premium you pay is far smaller than the corpus it protects.

4 Don't Put All Your Eggs in Debt — A Place for Equity Too

A common and understandable instinct among retirees is to move 100% of savings into fixed deposits and small savings schemes. This feels safe, but it carries a quieter danger: **inflation risk**. If your debt instruments earn 7–8% and inflation (particularly medical and household inflation) runs at 6–7%, your real, inflation-adjusted return is wafer-thin. Over a 20–25 year retirement, this erodes purchasing power steadily.

A modest, well-chosen allocation to equity and equity mutual funds — even at this stage of life — helps the portfolio keep pace with inflation over the long run, provided it is sized sensibly and not touched for short-term needs.

Which mutual fund categories actually suit a retired person

Not every equity fund is appropriate for a retiree. The category matters far more than the past return shown in an advertisement. Here is how I would categorise suitability:

| Category | Why it suits / does not suit a retiree |
|--|--|
| Conservative Hybrid Funds | Roughly 75–90% debt and 10–25% equity. Gentle equity exposure with debt-like stability. A good starting point for a first-time equity exposure in retirement. |
| Balanced Advantage / Dynamic Asset Allocation Funds | Fund manager shifts the equity-debt mix based on market valuations, cushioning downside in expensive markets. Suitable for a retiree who wants equity participation without active monitoring. |
| Equity Savings Funds | A mix of equity, arbitrage, and debt — generally tax-efficient and lower volatility than pure equity funds. Useful for conservative retirees wanting some equity flavour. |
| Large-Cap / Bluechip Equity Funds | For the equity sleeve itself, stick to large, well-established companies. Lower volatility than mid/small-cap funds, suitable for a 5+ year horizon portion of the corpus. |
| SWP (Systematic Withdrawal Plan) from Equity/Hybrid Funds | Rather than dividend options, a monthly SWP from an appropriate fund can substitute for regular income while keeping the remaining corpus invested and growing. |
| Small-Cap, Mid-Cap, Sectoral/ Thematic Funds | <u>Best avoided</u> or kept to a very small, "play money" allocation only. High volatility and concentration risk are unsuited to a corpus you cannot afford to see fall 30–40% in a downturn. |
| NFOs and "story-of-the-day" thematic launches | <u>Avoid</u> . No track record, and the theme is usually already well-discovered by the market by the time it is marketed to retail investors. |

If in doubt, a simple combination of one conservative hybrid fund and one balanced advantage fund, run through SIP/lump sum and later an SWP for income, serves most retirees well without requiring active market-tracking.

5 How Much in Debt, Equity, Gold and Real Estate?

There is no single percentage that fits everyone — it depends on your age, health, monthly income needs, and family responsibilities. But as a broad, conservative framework that I find sensible for most retirees:

| Asset Class | Age 60–70 | Age 70–80 | Age 80+ |
|--|--|----------------------------------|----------------------------------|
| Debt (FD/SCSS/PO schemes/ Bonds) | 60–70% | 70–80% | 80–90% |
| Equity / Equity Mutual Funds | 15–25% | 8–15% | 0–8% |
| Gold / Silver | 5–10% | 5–10% | 5% |
| Real Estate (beyond self-occupied home) | As already held; avoid fresh illiquid purchases | Consider gradually monetising | Consider gradually monetising |
| High-risk/speculative (crypto, F&O, penny stocks) | 0% | 0% | 0% |

Notes on this table

This is a general guide, not a prescription. A retiree with a government/family pension covering all monthly expenses can afford a slightly higher equity tilt than one wholly dependent on investment income. Review and rebalance this mix once a year, not every time the market moves.

On gold and silver

A modest allocation (5–10%) acts as a hedge against currency depreciation and geopolitical uncertainty. Prefer Sovereign Gold Bonds where available in the secondary market, gold ETFs, or bank-certified gold coins over physical jewellery bought for investment purposes, since jewellery carries making charges and resale deductions that erode returns. Avoid digital gold platforms that are not well-regulated.

On real estate

Your self-occupied home is not an "investment" in this context — it is a necessity and should be excluded from these percentages. Beyond that, real estate is illiquid, involves maintenance, tenant, and litigation hassles, and is unsuitable as a primary retirement asset for a senior citizen who may need funds quickly. If you already hold investment property, there is no urgency to sell, but avoid fresh real estate purchases as a retirement investment, and consider gradually monetising existing property as you age, to convert illiquid wealth into liquid, manageable income.

Stay away from cryptocurrency and other high-volatility instruments

Cryptocurrencies, futures & options trading, penny stocks, and unregulated forex trading platforms are entirely unsuitable for retirement savings. These carry the risk of complete capital loss, have no regulatory protection comparable to banking or mutual fund instruments in India, and require active, expert monitoring that most

retirees neither have the time for nor should be spending their remaining years on. If a grandchild or relative urges you toward these as "the future," politely decline with money meant for your security.

6 Keep Your Investments Simple and Easily Accessible

Over a working lifetime, many of us accumulate accounts almost by accident — a savings account opened for a salary credit decades ago, a demat account opened for one IPO, an old broker relationship from the 1990s. In retirement, this complexity becomes a liability rather than a convenience.

- **Limit bank accounts:** Two to three savings accounts at most — typically one primary operating account, and perhaps one joint account with spouse. Close dormant accounts after withdrawing balances.
- **Limit broker/demat accounts:** One demat-cum-trading account is sufficient for most retirees. Multiple accounts mean multiple passwords, multiple statements, and multiple points of confusion for your family in your absence.
- **Consolidate mutual fund folios:** Use a single registrar-linked CAS (Consolidated Account Statement) view and avoid scattering investments across too many AMCs and folios with different distributors.
- **One safe, well-organised record:** Maintain a single physical file or register listing every account, policy, and investment with account numbers, nominee details, and contact branch — updated at least once a year.

The test I apply: if something happened to me suddenly, could my spouse or children locate, understand, and access every investment within a week, without my help? If the honest answer is no, it is time to simplify.

7 Inform Your Spouse and Children — Don't Let Them Discover After the Fact

A surprisingly large amount of money lies unclaimed with banks, insurers, EPFO, and mutual funds in India simply because families did not know an investment existed. Secrecy about finances, even well-intentioned, often hurts the very people it was meant to protect.

- Prepare a simple "Where Things Are" document covering: bank accounts and branches, FDs and their maturity dates, SCSS/PO scheme details, mutual fund folios and the registrar (CAMS/KFintech) login, insurance policies and policy numbers, demat/broker account details, property documents location, and a list of recurring liabilities (loans, EMIs, society maintenance) if any.
- Share where this document is kept (and a sealed copy with a trusted family member or your bank locker) — you need not share every balance figure if you are uncomfortable doing so, but the existence and location of each account must be known.
- Walk your spouse through at least the basics of net banking, UPI, and how to contact your bank's branch — financial literacy of the spouse is often the most overlooked safeguard in Indian households.
- Review and update this document annually, and immediately after opening or closing any account.

Nomination is the single cheapest, fastest insurance policy against bureaucratic delay that exists in Indian finance, and it costs nothing. Yet a surprising number of accounts — old PPF accounts, dormant savings accounts, demat accounts — are still found without a valid nomination.

Important recent change — up to four nominees now permitted

Under amendments to the Banking Regulation Act effective from 1 November 2025, account holders can now nominate **up to four persons** per deposit account or locker, instead of just one as earlier. You may choose **simultaneous nomination** (each nominee gets a specified percentage share, totalling 100%) or **successive nomination** (nominees in order of priority, where the next nominee becomes eligible only if the earlier one is unable to claim). For lockers, only simultaneous nomination is permitted. Banks must record "Nomination Registered" on your passbook/statement and term deposit receipt, and must issue a written acknowledgement of your nomination within three working days.

- Ensure nomination is registered for every single account and instrument: savings accounts, FDs, RD, SCSS, PPF, NSC, RBI Bonds, mutual fund folios, demat account, insurance policies, EPF/PPF, and bank lockers.
- If you already have a single nominee from years ago, consider visiting your bank to update it to multiple nominees with clear percentage shares, especially if you have more than one child.
- Keep nominee names, relationship, and percentage shares aligned with your overall intention as expressed in your Will, to avoid any conflict or confusion between the two.
- Remember: a nominee is a trustee for collection purposes, not automatically the final legal owner of the money — the nominee is expected to distribute the proceeds as per the deceased's Will or, in its absence, as per succession law. This is precisely why nomination and a Will must work together, not in conflict.

9 The Importance of a Will — and Whether to Register It

A Will remains the most under-utilised document in Indian households. Without one, your estate is distributed strictly as per the succession law applicable to your religion, which may not reflect your actual wishes and can lead to prolonged disputes, delays, and legal expense for your family at an already difficult time.

Key essentials of a valid Will

- Must be made voluntarily by a person of sound mind, clearly stating it is your last Will, revoking any earlier Wills.
- Signed by you and attested by at least two witnesses who are present together and are not beneficiaries under the Will.
- Appoint an executor — someone you trust to carry out the Will's instructions.
- Be specific about each asset and beneficiary; avoid vague language that can be contested.
- Keep it updated after major life events — birth of grandchildren, sale/purchase of property, change in relationships, or death of a named beneficiary or executor.

Is registration mandatory? What does it cost?

Registration of a Will is **not legally mandatory** in India under the Registration Act, 1908 — an unregistered Will, properly signed and witnessed, is perfectly valid in law. However, registration is strongly advisable for senior citizens because it adds a layer of evidentiary strength and makes the Will far harder to challenge or allege as forged, since it is recorded with a government office and a copy is retained permanently by the Registrar.

| Aspect | Details |
|--------------------------|--|
| Stamp duty | Not applicable — Wills are exempt from stamp duty |
| Registration fee | Nominal, typically ₹100–₹200 at the Sub-Registrar's office (varies marginally by state) |
| Where to register | Office of the Sub-Registrar having jurisdiction over your residence |
| Who must be present | The testator (you) in person, along with the two attesting witnesses |
| Lawyer's drafting fee | Optional but recommended; typically a few thousand rupees depending on complexity and city — engaging a lawyer to draft is wise even if you choose not to register |
| Can it be changed later? | Yes, via a registered Codicil (amendment) or by registering a fresh Will that revokes the earlier one |

Procedure in brief: Draft the Will (ideally with legal assistance) → sign in the presence of two witnesses → carry the original Will, your identity/address proof, and the witnesses to the Sub-Registrar's office → the Registrar verifies identities and your mental capacity to execute the document → the Will is recorded and a certified copy retained by the Registrar's office, with the original handed back to you.

Safekeeping of the Will

Keep the original in a bank locker or with your appointed executor — not in a place only you know about. Inform your spouse, children, and executor of its existence and where it is kept, and ideally retain a photocopy at home marked "copy." A Will that nobody can find is as good as no Will at all.

10 Protecting Yourself from Digital Scams and Cyber Fraud

Senior citizens are disproportionately targeted by fraudsters precisely because criminals assume — often correctly — that they are less familiar with digital channels and more trusting of anyone claiming official authority. A few hard rules I follow and recommend without exception:

OTP, passwords, and account access

- **Never** share an OTP, CVV, PIN, or net-banking password with anyone over phone, SMS, or email — no bank, RBI official, or government department will ever ask for these.
- Use strong, unique passwords for banking and investment portals; do not reuse the same password across multiple financial sites.
- Enable two-factor authentication wherever offered.
- Store passwords in a physical notebook kept securely at home (not on a sticky note near the computer), or in a reputable password manager — never in an unencrypted phone notes app or shared over WhatsApp.
- Change passwords periodically and immediately if you suspect any compromise.

Common scams targeting seniors — know these patterns

- **"Digital arrest" scams:** A caller claiming to be police/CBI/customs/RBI alleges your Aadhaar or bank account is linked to a crime and pressures you to transfer funds or stay on video call under "digital arrest." No genuine law enforcement agency conducts arrests or investigations over a phone call or video call. Hang up and verify independently.
- **KYC update scams:** Messages or calls demanding "urgent KYC update" with a link, threatening account freeze. Never click links in such messages; visit your bank branch or the bank's official app/website directly.
- **Courier/parcel scams:** Claims that a parcel in your name contains illegal items, demanding payment to "release" it. This is a well-documented fraud pattern — disengage immediately.
- **Fake grandchild/relative emergency calls:** A caller impersonating a grandchild claiming urgent need for money. Always verify independently by calling the family member directly on a known number before sending anything.
- **Remote access app frauds:** Never install screen-sharing or remote-access apps (AnyDesk, TeamViewer, etc.) at the instruction of an unknown caller, however official they sound — this gives them direct access to your banking apps.
- **Fake investment schemes via social media/WhatsApp groups:** Unsolicited "stock tips," "guaranteed return" trading groups, and fake broker apps promising quick doubling of money. If you did not seek it out, treat it with suspicion.

If you suspect fraud

Call the National Cyber Crime Helpline **1930** immediately, and report online at **cybercrime.gov.in**. The first few hours after a fraudulent transaction are critical for the bank to freeze/reverse it — do not delay out of embarrassment.

General good habits

- Download banking and investment apps only from the official Play Store/App Store listing of the bank/AMC — verify the developer name before installing.
- Periodically check account statements and SMS alerts; keep transaction alerts switched ON, never OFF, even though they generate frequent SMS.
- Be wary of anyone — including known acquaintances — asking for power of attorney "for convenience"; grant POA only for a specific, time-bound, and well-understood purpose, and only to someone of complete trust.
- When in doubt about any call, message, or scheme, pause and discuss with your children or a trusted person before acting — fraudsters rely on urgency and isolation; a day's delay to verify almost never costs you anything genuine.

11 Suggested Debt Instruments for Senior Citizens

Below is a reference table of the principal government-backed and bank debt instruments suited to seniors, with rates current as of the April–June 2026 quarter. **Please verify the prevailing rate at the time of investment**, since these are revised every quarter by the Ministry of Finance / RBI.

| Instrument | Current Rate | Tenure | Max. Investment | Key Notes |
|---|--|--|--|---|
| Senior Citizens' Savings Scheme (SCSS) | 8.2% p.a., paid quarterly | 5 years (extendable by 3 years once) | ₹30 lakh per individual | Highest-yielding government-guaranteed instrument for seniors; 80C deduction available; interest fully taxable; eligible age 60+ (55+ for certain retirees) |
| RBI Floating Rate Savings Bonds (FRSB) 2020 (T) | 8.05% p.a. (Jan–Jun 2026 reset), paid semi-annually | 7 years | No upper limit (min. ₹1,000) | Rate resets every 6 months, linked to NSC rate + 0.35%; premature withdrawal allowed for eligible seniors after a minimum lock-in; interest taxable |
| Post Office Time Deposit (5-year) | 7.5% p.a. | 1 / 2 / 3 / 5 years | No upper limit | Sovereign guarantee; 5-year TD eligible for 80C; premature closure permitted after a minimum period with reduced interest |
| Post Office Monthly Income Scheme (POMIS) | 7.4% p.a., paid monthly | 5 years | ₹9 lakh (single) / ₹15 lakh (joint) | Steady monthly income; can be run alongside SCSS for diversified income streams |
| Public Provident Fund (PPF) | 7.1% p.a., compounded annually | 15 years (extendable in 5-year blocks) | ₹1.5 lakh per year | EEE tax status (contribution, interest, and maturity all tax-free); long lock-in, so suited only for the portion not needed in the near term |
| National Savings Certificate (NSC) | 7.7% p.a., compounded annually, paid at maturity | 5 years | No upper limit | 80C eligible; interest taxable but reinvested interest (except final year) also qualifies for 80C |
| Bank Fixed Deposits (Senior Citizen) | Typically 0.25–0.75% above the regular FD card rate — varies by bank | 7 days to 10 years | DICGC-insured up to ₹5 lakh per depositor per bank | Spread large amounts across multiple sound banks; compare card rates across PSU and private banks before locking in |
| Pradhan Mantri Vaya Vandana | Closed for new investment since 31 March 2023 | 10 years (existing policies) | — | Existing policyholders continue to receive the locked-in pension rate till maturity; manage via LIC branch/ |

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portal. New retirees should consider SCSS + an immediate annuity plan (e.g., LIC's Saral Pension) as alternatives.

A sensible debt combination

A typical, simple approach: maximise SCSS first (₹30 lakh per spouse, ₹60 lakh per couple) for the best guaranteed quarterly income, supplement with POMIS for additional monthly cash flow, place the next tranche in 5-year bank/post office FDs laddered across maturities, and use RBI Floating Rate Bonds and PPF for the longer-term, lower-liquidity-need portion of the corpus.

✓ A Ten-Point Checklist to Revisit Every Year

- ✓ Capital is parked predominantly in government-backed/sovereign-guaranteed instruments
- ✓ 6–12 months of expenses are held in genuinely liquid form
- ✓ Health insurance, with an adequate super top-up, is active and premiums are up to date
- ✓ A modest, age-appropriate allocation to conservative hybrid/balanced advantage equity funds is in place
- ✓ No exposure to crypto, F&O, or unregulated "guaranteed return" schemes
- ✓ Bank, demat, and broker accounts are consolidated to the essential minimum
- ✓ Spouse and children know the full list of investments and how to access them
- ✓ Every single account and policy carries an updated, valid nomination
- ✓ A Will exists, is signed and witnessed, and ideally registered; its location is known to family
- ✓ Passwords are secure, OTPs are never shared, and the family is alert to common scam patterns

"In investing, as in life after sixty, the goal is not to win the game — it is to make sure you are never forced to leave the table."

Disclaimer

This material has been prepared by SubbuS, a Retired Banker / Retired Bank Executive, purely for general educational and informational purposes based on personal banking experience and information believed to be reliable as of the date of preparation (June 2026). It does not constitute, and should not be construed as, professional investment, financial, tax, or legal advice.

Interest rates, scheme rules, government regulations, and tax provisions referenced in this document (including but not limited to SCSS, RBI Floating Rate Savings Bonds, Post Office schemes, PPF, NSC, bank FD rates, nomination rules, and Will registration procedures) are subject to periodic revision by the relevant authorities and may have changed since this document was prepared. Readers must independently verify the current applicable rates, rules, and eligibility criteria with the respective bank, post office, RBI, AMFI/SEBI-registered mutual fund, insurer, or a qualified professional advisor before making any investment or legal decision.

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