

Cabinet approves Unified Pension Scheme

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The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, today approved the Unified Pension Scheme (UPS).

The salient features of the UPS are:

1. Assured pension: 50% of the average basic pay drawn over the last 12 months prior to superannuation for a minimum qualifying service of 25 years. This pay is to be proportionate for lesser service period upto a minimum of 10 years of service.
2. Assured family pension: @60% of pension of the employee immediately before her/his demise.
3. Assured minimum pension: @10,000 per month on superannuation after minimum 10 years of service.
4. Inflation indexation: on assured pension, on assured family pension and assured minimum pension Dearness Relief based on All India Consumer Price Index for Industrial Workers (AICPI-IW) as in case of service employees
5. lump sum payment at superannuation in addition to gratuity $1/10^{\text{th}}$ of monthly emoluments (pay + DA) as on the date of superannuation for every completed six months of service this payment will not reduce the quantum of assured pension

MJPS/SS/SKS

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Unified Pension Scheme UPS

1

***Assured Pension* : 50 % of the average basic pay drawn over the last 12 months prior to superannuation for a minimum qualifying service of 25 years
Proportionate for lesser service period upto a minimum of 10 years of service**

2

***Assured Family Pension* :
@60% of pension of the employee immediately before her/his demise**

3

***Assured Minimum Pension* :
@ 10000 per month on superannuation after minimum 10 years of service**



Key features of UPS

4

Inflation Indexation:

On assured pension, on assured family pension and assured minimum pension Dearness Relief based on All India Consumer Price Index for Industrial Workers (AICPI-IW) as in case of serving employees

5

- **Lump-Sum payment at superannuation in addition to gratuity**
- **1/10th of monthly emolument (pay + DA) as on the date of superannuation for every completed six months of service**
- **This payment will not reduce the quantum of assured pension**



Other Features of UPS

- **Provisions of UPS will apply to past retirees of NPS (who have already superannuated).**
 - **Arrears for past period will be paid with interest @PPF rates**
- **UPS will be available as an option to the employees. Existing as well as future employees will have an option of joining NPS or UPS. Choice, once exercised, will be final**
- **Employee contribution will not increase. Government will provide additional contribution for implementing UPS**
 - **Government contribution increased from 14 to 18.5%**



Implementation of UPS

- **UPS to be given effect from 1.4.2025**
 - **Support mechanism and necessary legal, regulatory and accounting changes will be readied**

- **UPS is being implemented by the Central Government**
 - **Benefiting ~23 lakh Central Government employees**

- **The same architecture has been designed for adoption by State Governments**
 - **If also adopted by State Governments, can benefit over 90 lakh Government employees who are presently on NPS**