

Comparison of UPS, NPS and OPS

S.N.	Particulars	UPS	NPS	OPS
1	Pension	50% of the average basic pay over the last 12 months of retirement for employees retiring with at least 25 years of service and proportionate pension benefits for employees with 10-25 years of service.	Pension amount depends on the investments made in the NPS investment scheme and the accumulated corpus.	50% of the last drawn salary or average earnings over the previous 10 months of service, whichever is more with at least 20 years of service.
2	Minimum pension	Rs. 10,000 per month for employees with at least 10 years of service.	Minimum pension amount depends on the investments made in the NPS scheme.	Rs. 9,000 per month for employees with at least 10 years of service.
3	Gratuity	Eligible	Eligible	Eligible
4	Family pension	In the case of the retiree's death, 60% of the pension provided immediately before the demise is given to the family.	Family pension amount depends on the accumulated corpus and the chosen annuity plan.	30% of basic pay subject to the minimum of Rs.9000 per month.
5	Employer's contribution	18.5% of basic pay + DA.	14% of basic pay + DA.	No contribution to the pension fund
6	Employee's contribution	10% of basic pay + DA.	10% of basic pay + DA.	No contribution to the pension fund.
7	Lump sum amount payment / Commutation of pension	A lump sum amount is provided to employees upon superannuation, which is 1/10th of their last drawn monthly pay for every six months of completed service.	60% of the NPS corpus can be withdrawn as a lump sum upon superannuation.	A lump sum amount could be taken at the time of retirement, not exceeding 40%, through commutation of pension. Full pension restores on completion of 15 years. In case of death of pensioner commutated portion will not be recovered.
8	Inflation protection	Provides inflation protection by adjusting pensions based on the All-India Consumer Price Index for Industrial Workers (AICPI-IW). Proposed DA may start from zero on 01.04.2025.	There is no provision for automatic DR increments to protect against inflation.	The pension is revised twice a year, i.e. on January 1st and July 1st, by increasing the Dearness Relief (DR)
9	Additional pension / family pension	No mention about additional pension.	Not available.	Pension goes up by 20%, 30%, 40%, 50% and 100% after attaining the age 80, 85, 90, 95 and 100 years respectively.
10	Voluntary retirement on completion of qualifying service	If an employee takes voluntary retirement after completion of 25 years of service, he will be eligible to receive his pension only at superannuation age.	80% of corpus will be kept for annuity fund.	Will get all eligible settlement at the time of voluntary retirement after completing 20 years of service.
11	Risk factor	Risk-free as it provides an assured pension.	There are market risks as the returns depend on the performance of the market-linked funds.	Risk-free as it provides an assured pension.
12	Tax for contribution towards pension fund	May follow the system followed for NPS.	10% contribution by employee is taxable. Eligible for tax benefit for combined limit of Rs.1.5 lakh under 80C, 80CCC and 80CCD(1).	N.A