

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 3440

ANSWERED ON TUESDAY, 01 APRIL, 2025/ 11 CHAITRA, 1947 (SAKA)

DIFFERENCE OF UPS FROM OPS AND NPS

3440. Shri Parimal Nathwani:

Will the Minister of Finance be pleased to state:

- (a) the details of how the new Unified Pension Scheme (UPS) differs from the Old Pension Scheme (OPS) and/or the National Pension Scheme (NPS);
- (b) the details of State Governments who have shown interests to implement the same in their respective States for their employees; and
- (c) whether the Central Government mulls extending additional financial support etc to the State Governments that adopt the UPS, if so, the details thereof?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) Unified Pension Scheme (UPS) has been notified by the Government on 24.01.2025, as an option under National Pension System (NPS) with the objective of providing assured monthly payout after retirement to the Central Government employees covered under the NPS.

UPS is defined contribution scheme with elements of defined benefit. It relies on the regular and timely accumulation and investment of applicable contributions (from both the employee and the employer) for assured payout to the employees.

The Old Pension Scheme is a defined benefit non-contributory scheme, fully funded by Government. It is applicable to Central Government employees who have joined the service on or before 31.12.2003. The National Pension System (NPS) is a defined contribution-based scheme with market linked returns for post-retirement benefits. It is applicable to Central Government employees, except armed forces, who have joined the service on or after 01.01.2004.

(b) and (c) The regulation of service conditions of State Government employees falls under the administrative domain of respective State Governments.
