

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
STARRED QUESTION NO. *308

ANSWERED ON MONDAY, 11 AUGUST, 2025/ SRAVANA 20, 1947 (SAKA)

RESTORATION OF OLD PENSION SCHEME

*308. SHRI SUDAMA PRASAD
SHRI UTKARSH VERMA MADHUR

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to restore the Old Pension Scheme (OPS), if so, the details thereof and if not, the reasons therefor along with the reasons for introducing UPS;
- (b) whether the Government is aware about the non-feasibility of the New Pension Scheme and if so, the details thereof;
- (c) the reasons for excluding unemployed son, unmarried/widowed/divorced daughter and dependent parents from the definition of family in UPS; and
- (d) the reasons for the reduced pension in UPS as compared to OPS and the declaration of UPS only through a Press release?

ANSWER

THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT OF LOK SABHA STARRED QUESTION NO. *308 REGARDING “RESTORATION OF OLD PENSION SCHEME” RAISED BY SHRI SUDAMA PRASAD AND SHRI UTKARSH VERMA MADHUR, ANSWERED ON 11.08.2025.

(a) to (c) There is no proposal under consideration of the Government of India for restoration of Old Pension Scheme (OPS) in respect of Central Government employees covered under National Pension System (NPS). The Government had moved away from OPS due to its unsustainable fiscal liability on the Government exchequer. NPS is a defined contribution-based scheme which was introduced for Central Government employees (except armed forces) joining service on or after 01.01.2004. With a view of improving upon the pensionary benefits for such employees, a Committee was constituted under the chairpersonship of the then Finance Secretary to suggest measures to modify the NPS. Based on the deliberations of the Committee with stakeholders, Unified Pension Scheme (UPS) has been introduced as an option under NPS with the objective of providing defined benefits after retirement to the Central Government employees covered under the NPS.

The features of UPS including the definition of family have been designed in such a way so as to ensure payment of assured payouts while also maintaining fiscal sustainability of the fund. Further, the Government employees who opt for UPS under NPS shall also be eligible for option for availing benefits under the CCS (Pension) Rules, 2021 or the CCS (Extraordinary Pension) Rules, 2023, in the event of death of the Government servant during service or his discharge on the ground of invalidation or disablement.

(d) UPS has been introduced through a notification by the Government on 24.01.2025, as an option under NPS. Under UPS, assured payout is admissible on retirement @ 50% of twelve monthly average basic pay, immediately prior to retirement after a minimum 25 years of qualifying service. In case of lesser qualifying service period, proportionate payout would be admissible.
