GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 2308

ANSWERED ON MONDAY, 15 DECEMBER, 2025/ AGRAHAYANA 24, 1947 (SAKA)

Implementation of Old Pension Scheme

2308 SHRI ANTO ANTONY
SHRI AMRA RAM
SHRI UTKARSH VERMA MADHUR
SHRI IMRAN MASOOD

Will the Minister of Finance be pleased to state:

(a) whether the Government proposes to implement Old Pension Scheme (OPS) for its employees by abolishing the National Pension System (NPS) and Unified Pension Scheme (UPS), if so, the timeline thereof and if not, the reasons therefor;
(b) whether many State Governments have implemented OPS for their employees, if so, the process to return the funds deposited with the Centre to the State Governments along with the amount of funds deposited by the States wherein OPS is in place, State-wise;
(c) whether any discrepancies are associated with the UPS system of pension, if so, the details thereof;
(d) whether it is a fact that the contribution deducted from the salary of employees during their service will not be returned to them at the time of retirement; and
(e) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) There is no proposal under consideration of the Government for restoration of Old Pension Scheme (OPS) in respect of Central Government employees covered under National Pension System (NPS) or Unified Pension Scheme (UPS).

(b) The State Governments of Rajasthan, Chhattisgarh, Jharkhand, Punjab, and Himachal Pradesh have informed Pension Fund Regulatory and Development Authority (PFRDA) about their decision to restart Old Pension Scheme (OPS) for their State Government employees. There is no provision under Pension Fund Regulatory and Development Authority Act, 2013 read along with PFRDA (Exits and Withdrawals under the National Pension System) Regulations, 2015, and other relevant Regulations, vide which the accumulated corpus of the subscribers viz Government contribution, Employees' contribution towards NPS along with accruals, can be refunded and deposited back to the State Government.

(c) to (e): UPS, being a fund-based Pension System, relies on the regular and timely accumulation and investment of applicable contribution (from both the employee and employer) for assured payouts to the employees. Under UPS, at the time of retirement, a subscriber is eligible to receive benefits as below:

i. Assured payout at rate of 50% of the average basic pay drawn over the last 12 months prior to superannuation for a minimum qualifying service of 25 years. This payout to be proportionate for lesser service period up to a minimum of 10 years of service.
ii. Assured family payout at the rate of 60% of payout admissible to the employee immediately before his/her demise to legally wedded spouse.
iii. Assured minimum payout of Rs.10,000 per month on superannuation after minimum 10 years of qualifying service.
iv. Inflation indexation on assured payout, on assured family payout, and assured minimum payout. Dearness Relief will be based on All India Consumer Price Index for Industrial Workers (AICPI-IW) as in case of serving employees.
v. Lump sum payment at superannuation in addition of gratuity at rate of $1/10^{th}$ of monthly emoluments (basic pay+DA) as on the date of superannuation for every completed six months of service. This payment will not reduce the quantum of assured payout.
vi. There is no provision for return of contribution deducted from the salary of employees during their service, once the payout starts. However, UPS subscriber or the legally wedded spouse, as the case may be, shall have an option to withdraw an amount not exceeding 60% of the individual corpus or benchmark corpus, whichever is lower, available in the PRAN tagged to UPS on the date of superannuation or voluntary retirement or retirement under Fundamental Rules 56(j) subject to proportionate reduction in the assured payout payable to such UPS subscriber.

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