GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 3636

ANSWERED ON MONDAY, 10 AUGUST, 2026/ SHRAVANA 19, 1948 (SAKA)

Restoration of OPS

3636. SHRI ADITYA YADAV

Will the Minister of Finance be pleased to state:

(a) the official stance, fiscal calculations, and policy analysis conducted by the Central Government regarding the growing demands from Central and State Government employees for the restoration of the Old Pension Scheme (OPS);

(b) the core structural infirmities, market risks, and annuity deficits identified by employee federations within the current National Pension System (NPS);

(c) whether any high-level review committee has been constituted to modify the NPS to guarantee a defined, inflation-linked minimum pension to employees without burdening State finances and if so, the status of its report; and

(d) the total corpus accumulated under the Pension Fund Regulatory and Development Authority (PFRDA) from Central employees' contributions as of date?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c) The Government had moved away from Old Pension Scheme (OPS) due to its unsustainable fiscal liability on the Government exchequer. The restoration of OPS in the States falls exclusively under State policy discretion. However, Comptroller and Auditor General (CAG), in its recent State Finance Audit Reports, has highlighted the fiscal implications of reversion to OPS by the States. The National Pension System (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 already been introduced, w.e.f. 01.04.2025, as an option under NPS with the objective of providing inflation linked defined benefits with a minimum assured payout of Rs. 10,000/- per month, after retirement to the Central Government employees covered under the NPS. The UPS is a fund-based payout system that relies on the regular and timely accumulation and investment of applicable contributions made by both the employee and the employer (Central Government) to provide an assured monthly payout after retirement.

(d) The total Asset under Management under NPS for Central Government employees as on 26.07.2026 is Rs. 3.65 lakh crores.

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