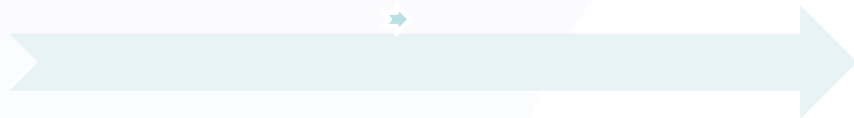


UNIFIED PENSION SCHEME (UPS)



The information contained in this presentation is for illustrative, informational and educational purposes only. In case of any conflict or ambiguity, the prescriptions as contained in the relevant Act, Regulations and Notifications shall prevail.

- The GoI, in pursuit of pension reform , introduced NPS for CG employee w.e.f 01/01/2004, it replaced the *defined benefit* with a *defined contribution* system to promote long term financial sustainability.
- In the course of NPS implementation, various Central and SG stakeholders noted the need for a more structured and funded but a predictable post-retirement income mechanism.
- A committee was formed in April 2023 under Chairmanship of Finance Secretary, to look into issue of pension under NPS in respect of Govt employees and evolve an approach which addresses the needs of the employees while maintaining fiscal prudence to protect the common citizen.
- Study on fiscal assessment was undertaken for cohort of CG employees on the parameters such as *Service Period, Payout Duration, Salary Growth Rate, Investment Return Rate (Accumulation Phase), Discount Rate (Decumulation Phase) and Inflation Rate, etc.*
- GoI vide dtd: 24.01.2025, introduced the Unified Pension Scheme (UPS) as an option under the NPS for its employees.

Predictable
Pension

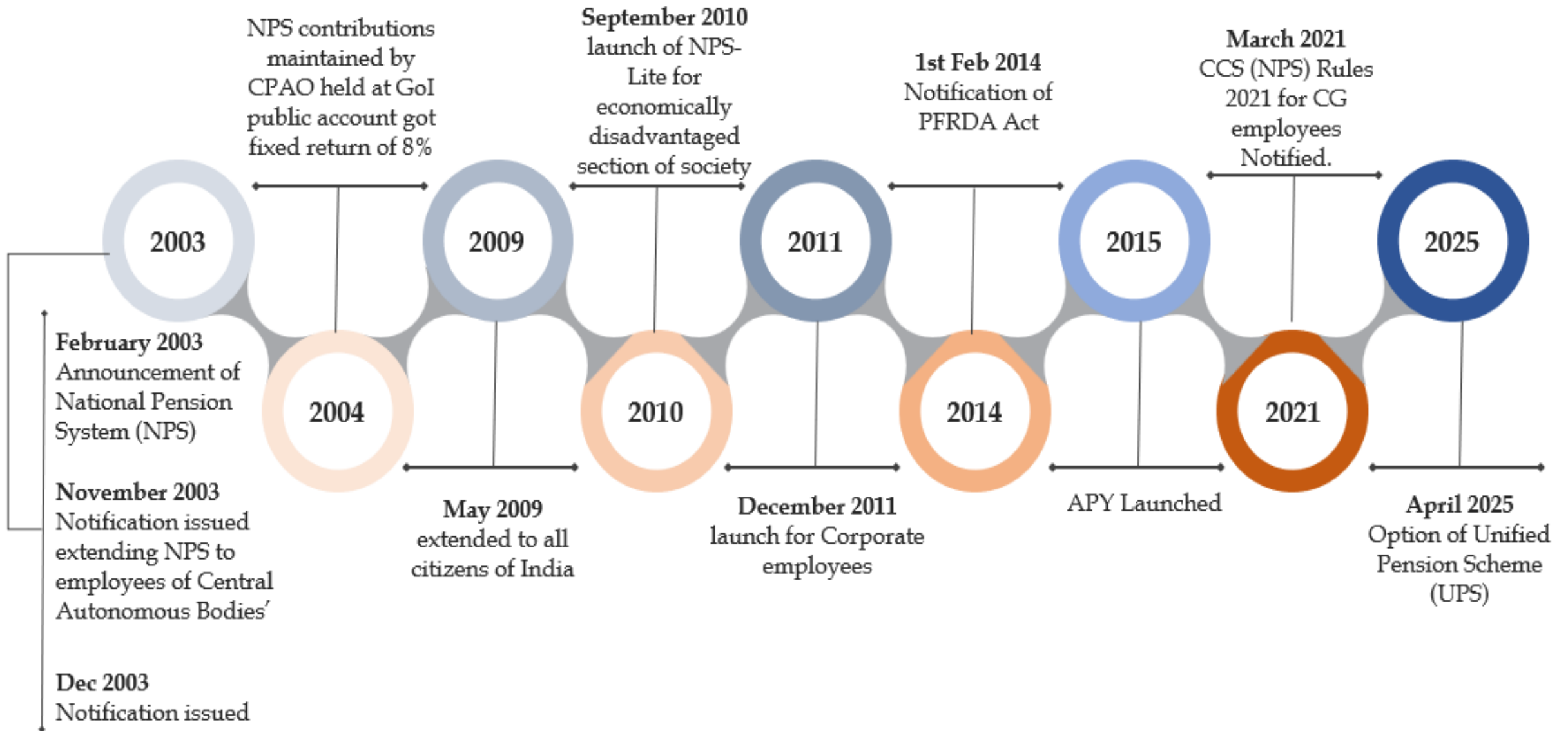
Inflation
Indexation

Need

Protection
against longevity

Pension
Adequacy

PFRDA/NPS/UPS Timeline - Summary



- UPS is an option under the NPS for CG employees and is effective from 1st April, 2025. It provides assured pay-out (50% of 12 monthly avg basic pay, immediately prior to superannuation), based on the prescribed conditions (min 25 years of qualifying service & Individual Corpus equivalent to Benchmark Corpus).
- **Applicability:**
 1. An existing CG employee covered under NPS, as on April 1st, 2025.
 2. New recruit who joins CG service on or after April 1st, 2025.
 3. A CG employee covered under NPS and superannuated or voluntarily retired or retired under FR 56 (J) on or before March 31, 2025 and is eligible for UPS or their legally wedded spouse as on date of superannuation/retirement, in case of demise.
- **One-time switch facility from UPS to NPS**
- **Timelines to exercise UPS Option:**
 - ✓ 30th September 2025 (existing employees/retirees to claim benefits)
 - ✓ 30 days from joining (new recruits).

One-time switch facility from UPS to NPS

Govt. introduced One – time switch from UPS to NPS, to provide flexibility to subscribers to exercise their choice:

(1) UPS subscriber shall have a onetime switch facility option for reverting to NPS at any time during the service of the subscriber, but not later than:

- (i) twelve months prior to the date of superannuation;
- (ii) three months prior to the deemed date of voluntary retirement;
- (iii) at the time of resignation or compulsory retirement under 56(J), which is not a penalty:

(2). Switch facility not be applicable in cases:

- a. where departmental/judicial proceedings are pending or contemplated against the subscriber.
- b. removal or dismissal or compulsory retirement from service as a penalty.

(3) In case, the switch facility is availed by the subscriber as above:

- (i) Employer contribution @ 14% (fourteen per cent) for the period covered under UPS.
- (ii) Future contributions of employer @14%, as per the provisions of the CCS (INPS) Rules, 2021.
- (iii) Provisions of PFRDA (Exits and Withdrawals under NPS) Regulations, 2015 shall apply.
- (iv) Subscribers will not be eligible for assured payout and other benefits under the UPS.

- The contribution of employees will be 10% of (basic pay + DA) and matching contribution by employer, will be credited to (*the erstwhile NPS PRAN tagged to UPS*), employee's individual corpus every month.
- An estimated 8.5% contribution (basic pay + DA) by Central Govt in pool corpus on an aggregate basis.
- The UPS, being a 'fund-based' system, relies on the regular and timely accumulation and its investment, for assured payout to the employees.

OPS- Defined Benefit, **NPS-** Defined Contribution, **UPS-** Hybrid Scheme includes Defined contribution & Defined Benefits

Benchmark Corpus (BC)

- It is a corpus based on which payout under UPS is calculated
- Transparently visible to subscriber online as well as in the SOT in the CRA system
- Value of Benchmark corpus is based on:
 - ❖ **Timely & regular contribution** (employer and employee in the individual account)
 - ❖ Contributions received prior to 1.4.2025, shall be considered as and when they have been received and be valued on default pattern.
 - ❖ Investment as per NAV of **default pattern**.
 - ❖ In case of missing contributions, NAV of the last day of the month in which contribution was to be received, shall apply

Individual Corpus (IC)

Actual Value of corpus based on:

- **Investment choice** made by subscriber.
- Contribution **as and when received**.
- **Partial withdrawals** will reduce the IC
- Voluntary contributions will be added to the IC
- Contributions for the period before the commencement of the qualifying service under CG shall be added to the IC

- If the **IC < BC**, **admissible payout** shall be proportionately reduced, unless the shortfall is replenished.
- If the **IC > BC**, **the excess will be transferred** to subscriber & full assured payout will be made.

Investment choice to subscriber under UPS

- Investment choice under UPS : Default pattern, 100% G-sec, LC-50 and LC-25.
- Option to change the choice of pension fund once in FY and investment choice **twice** in FY .
- ‘Default pattern’ of investment will prevail in case such option not exercised by subscriber.

UPS benefits shall be available **only** in the following cases:

- in case of an employee superannuating after qualifying service of **ten years**, from the date of superannuation;
- in case of the **Government retiring an employee** under the provisions of FR 56 (j) (which is not a penalty under Central Civil Services (Classification, Control and Appeal) Rules, 1965) from the date of such retirement; and
- in case of **voluntary retirement** after a minimum qualifying service period of 25 years, from the date such employee would have superannuated, if the service period had continued to superannuation.
- Notwithstanding enrolment of an employee in the UPS option under NPS, such **option shall cease** to apply in case of a UPS Subscriber who has been **removed or dismissed from service or who has resigned** his services.

Lump Sum Payment in addition to gratuity

- Lump sum payment equivalent to 10% or 1/10th of last drawn basic pay + DA for every completed six months of qualifying service. This lump sum payment will not affect the quantum of assured payout.
- **Assured Payout** will be @50% of 12 monthly average basic pay, immediately prior to superannuation. Assured payout is payable **after a minimum 25 years** of qualifying service
- In case of lesser qualifying service period, proportionate payout would be admissible
- In case of past retirees monthly top up along with DR
- **Minimum Guaranteed Payout** of Rs. 10,000 per month shall be assured in case superannuation is **after ten years or more** of qualifying service .
- If the $IC > BC$, the excess will be transferred to subscriber
- **Final Withdrawal (FW):** Voluntary withdrawal of up to 60% of corpus (IC or BC, whichever is lower) is allowed.
- **Admissible Payout:** assured payout shall be proportionately reduced, **if $IC < BC$** and/or final withdrawal made
- Option to replenish the shortfall in BC is available
- **Family Payout** will be @60% of the payout to legally wedded spouse as on date of superannuation/retirement.
- **Dearness Relief** will be available on the admissible payout and family payout, as the case may be.
- For past retirees- arrears for the past period will be paid along with simple interest as per PPF rates.

Parameter	National Pension System(NPS)	Unified Pension Scheme (UPS)
Eligible employees	Central Govt. employees wef 01.01.2004	- Central Govt. (new joiner 01.04.25) - Existing NPS subscriber of Central Government and - NPS Retirees upto 31.03.2025
Employee Choice	-Mandatory (upto 31 st March 2025) -Choice between NPS and UPS	Choice between NPS and UPS to be exercised
Switch between Schemes	NA	One-time switch facility from UPS to NPS • 12 months prior to the date of superannuation ;-03 months prior to the deemed date of VRS ,- At the time of resignation or retirement under 56(J)
Contribution to PRAN	10% employee +14% employer of Basic + DA	10% employee +10% Government (Basic + DA)
Pool Corpus	NA	- Contribution of 8.5% of Basic + DA - Transfer of IC at superannuation
Choice of Pension Fund	YES (Once in a year)	SAME as NPS
Choice of Investments Pattern	YES (Two times in a year)	SAME as NPS
Partial withdrawal	YES (after 3 yrs, max. 3 times. 25% of self)	SAME as NPS
Voluntary contribution	YES	YES
Taxation	EEE status	Tax exemption as available to NPS (as per CBDT OM Dated 02.07.2025)

NPS Vs. UPS, an indicative tabulation

Parameter	National Pension System(NPS)	Unified Pension Scheme (UPS)
Lumpsum Payment	NO	1/10 th of (last Basic +DA) for each completed 6 months of service
Assured Payout Amount	NO - Based on accumulated corpus (40% mandatory annuity purchase)	YES - 50% average of last 12 months Basic Pay subject to completion of 25 years of service and IC=BC and no final withdrawal.
Minimum Payout	NO	Rs 10,000 + DR subject to 10 years of service and IC=BC
Dearness Relief on Payout	NO	YES.
Lumpsum/final Withdrawal at superannuation	Yes - up to 60% of the total corpus	YES, up to 60% of individual corpus with reduction in payout
Death of employee (receiving payout)	Depends on annuity plan purchased	Spouse will receive 60% of payout received by employee
In Service - Death/Invalidation of Employee	OPS benefit with return of employee contribution and growth or NPS Benefit	OPS benefit with return of employee contribution and growth
Annual Life Certificate	Yes - taken by ASPs from subscribers	YES - to be submitted in system (CRA)

Social Media Weblinks of Important Videos on UPS- Pls Follow

S. No.	Important Videos on Unified Pension Scheme (UPS)	Weblinks
1	Instagram	https://x.com/PFRDAOfficial/status/1933466227843678382
2	Linkedin	https://www.linkedin.com/feed/update/urn:li:activity:7339232162077974529
3	Facebook	https://www.facebook.com/share/p/1Af9hfuEpf/
4	YouTube	1 minute video on UPS: https://youtu.be/vNipWpflPZc?si=e1nJZriadJxMlo01 https://www.youtube.com/watch?v=n0lthWXnu0w

Radio Jingles

Jingle 1
(English)



Jingle 2
(Hindi)



Railway Announcement





GUARANTEED PENSION FOR CENTRAL GOVERNMENT EMPLOYEES. OPT FOR UNIFIED PENSION SCHEME TODAY.

The Unified Pension Scheme (UPS) Offers You A Lot More For Your Retirement.*

Assured Payout @50%
of last 12 months average basic pay

Dearness Relief

Minimum Guaranteed
Payout of ₹10,000

Gratuity

Payment to Spouse
60% of assured payout

One Time
Lumpsum Payment

Withdrawal
upto 60% of corpus

Income Tax Benefits
as available in NPS

To apply online: npscra.nsdl.co.in/ups.php#RUSU
To apply physically, download the form at: npscra.nsdl.co.in/ups.php#5

—APPLY BEFORE—
30TH SEPTEMBER 2025



ALL CENTRAL GOVERNMENT EMPLOYEES OPT FOR UNIFIED PENSION SCHEME (UPS)



**Lumpsum
Payment**



Assured Payout@50%
of last 12 months average basic pay



**Dearness
Relief**



Minimum Guaranteed
Payout of 10,000



Payment to spouse
60% of assured payout

UPS offers all the income tax
benefits available under NPS.

HOW TO REGISTER

Online: www.npscra.nsdl.co.in/ups.php#RUSU
Offline: Download and submit the form via your
DDO www.npscra.nsdl.co.in/ups.php#5

APPLY BEFORE

30th September 2025



ATTENTION: CENTRAL GOVERNMENT EMPLOYEES

OPT FOR UNIFIED PENSION SCHEME (UPS)



Unified Pension Scheme (UPS) Offers Assured Monthly Retirement Plan*



Assured Payout @50%
of last 12 months average basic pay



Minimum Guaranteed
Payout of ₹10,000



Dearness Relief



Gratuity



Payment to Spouse
60% of assured payout



One Time
Lumpsum Payment



Withdrawal
upto 60% of corpus



Income Tax Benefits
as available in NPS

To apply online: npskra.nsdl.co.in/ups.php#RUSU

To apply physically, download the form at: npskra.nsdl.co.in/ups.php#5

APPLY BEFORE
30th September 2025



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**Lumpsum
Payment**



Assured Payout@50%
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**Dearness
Relief**



Minimum Guaranteed
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UPS offers all the income tax benefits available under NPS.

HOW TO REGISTER

Online: www.npscra.nsdl.co.in/ups.php#RUSU
Offline: Download and submit the form via your
DDO www.npscra.nsdl.co.in/ups.php#5

APPLY BEFORE
30th September 2025



Scan this QR Code
to know more

Thank You

धन्यवाद!