

Unified Pension Scheme (UPS) approved by the Union Cabinet.

This scheme aims to benefit government employees and offers several key features:-

1. Eligibility Criteria:

- Minimum eligible service: 10 years
- Maximum service: 25 years

2. Assured Pension:

- Assured pension is equivalent to 50% of the average basic pay drawn over the last 12 months prior to superannuation.
- For a minimum qualifying service of 25 years, employees are eligible for this fixed assured pension.
- For lesser service (minimum of 10 years), the pension is proportionate.

3. Assured Family Pension:

- Family members receive 60% of the pension of the employee immediately before their demise.

4. Assured Minimum Pension:

- A minimum pension of ₹10,000 per month is guaranteed after a minimum of 10 years of service.

5. Inflation Indexation:

- Dearness relief is based on the All India Consumer Price Index for Industrial Workers (AICPI-W), similar to serving employees.

6. Lump-Sum Payment at Superannuation:

- In addition to gratuity, a lump-sum payment of 1/10th of the monthly emolument (pay + DA) as of the date of superannuation is provided for every completed six months of service.

- Importantly, this payment does not reduce the quantum of assured pension.

7. ELIGIBLE Employees:

- Central government employees can choose between the National Pension Scheme (NPS) and the Unified Pension Scheme (UPS).

- Existing central government NPS subscribers can also switch to UPS.

8. State Government Option:

- State governments have the option to adopt the Unified Pension Scheme.

- If state governments opt for UPS, approximately 90 lakh beneficiaries could benefit.

9. Financial Implications:

- The expenditure for arrears will be ₹800 crore.

- The annual cost increase will be around ₹6,250 crore in the first year.

- The scheme will be effective from April 1, 2025.

10. Committee and Decision-Making:

- The Centre constituted a committee that held over 100 meetings with various organizations, including the RBI and the World Bank, to finalize this scheme.

- The scheme is expected to initially benefit 23 lakh central government employees.

Remember, this scheme provides greater predictability and security for pensioners compared to the New Pension Scheme (NPS). Employees now have the choice to make an informed decision based on their preferences⁴⁵.

Source:-

(1) Centre approves Unified Pension Scheme; here's all you need to know
<https://economictimes.indiatimes.com/news/india/centre-approves-unified-pension-scheme/articleshow/112766803.cms>.

(2) Explained | What Is Unified Pension Scheme Approved by Cabinet ... - News18.
<https://www.news18.com/business/savings-and-investments/explained-what-is-unified-pension-scheme-approved-by-cabinet-how-is-it-different-from-nps-9026846.html>.

(3) Unified Pension Scheme Vs New Pension Scheme: Know Which One Is Better For Central Government Employees. <https://www.oneindia.com/india/unified-pension-scheme-vs-new-pension-scheme-know-which-one-is-better-for-central-government-employ-3916475.html>.

(4) Unified Pension Scheme: Modi Govt Launches New Pension Scheme To Benefit Its Employees; Check Details. <https://www.msn.com/en-in/news/India/unified-pension-scheme-modi-govt-launches-new-pension-scheme-to-benefit-its-employees-check-details/ar-AA1pmPsX>.

(5) How is the new 'Unified Pension Scheme' different from NPS?.
<https://www.hindustantimes.com/business/how-is-the-new-unified-pension-scheme-different-from-nps-101724511007693.html>.