

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 972

TO BE ANSWERED ON MONDAY, 10 FEBRUARY, 2025/ MAGHA 21, 1946 (SAKA)

NEW PENSION SCHEME

972. Shri Balashowry Vallabhaneni

Will the Minister of Finance be pleased to state:

- (a) whether the Government has introduced New Pension Scheme in place of the existing National Pension Scheme;
- (b) whether it is true that a Committee has been constituted with representatives from Government and employees to thrash out contentious issues;
- (c) if so, the details of contentious issues identified;
- (d) whether the Committee has submitted its Report; and
- (e) if so, the recommendations made by the Committee and status of implementation of the same?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (e) As announced by Hon'ble Finance Minister on 24.03.2023, a Committee was set up under the chairmanship of Finance Secretary for suggesting measure to modify the National Pension System (NPS) with a view to improve the pensionary benefits of Government employees keeping in view the fiscal implications and impact on overall budgetary space. The Committee had extensive discussions with the major stakeholders including Staff Side of the National Council (JCM) and State Government's. Based on the recommendations of the Committee, the Union Cabinet approved the Unified Pension Scheme (UPS) on 24.08.2024. The UPS has been notified on 24.01.2025 for implementation from 01.04.2025. The features of UPS are as under:

- (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 pension of the employee immediately before his/her demise to surviving spouse.
- (iii) Assured minimum payout of Rs.10,000 per month on superannuation after minimum 10 years of service.
- (iv) Inflation indexation on assured payout, on assured family payout, and assured minimum payout. Dearness Relief 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 1/10th of monthly emoluments (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.
