

No. - 57/03/2022-P&PW(B)/8361(5)
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Pension and Pensioners' Welfare

Lok Nayak Bhavan, Khan Market,
New Delhi, Dated the 29th October, 2025

OFFICE MEMORANDUM

Subject: Effect of compulsory retirement from Government service as a penalty on the Assured Payout in respect of Central Government employees opted for Unified Pension Scheme under the National Pension System -reg.

The undersigned is directed to say that Department of Pension and Pensioners' Welfare has notified the Central Civil Services (Implementation of Unified Pension Scheme under the National Pension System) Rules, 2025 to govern the service related matters of Central Government civil employees covered under the Unified Pension Scheme (UPS).

((2). Rule 20 of these rules provides for effect of compulsory retirement from Government service as penalty on the assured payout in respect of Central Government civil employees opted for UPS under NPS. The rule provides that where a Central Government employee opted for UPS under NPS is compulsorily retired from service as a penalty, he/she may be granted, by the authority competent to impose such penalty, benefits at a rate not less than two thirds and not more than full admissible payout to him out of the individual corpus under the Unified Pension Scheme.

((3). The benefits under sub-rule (1) shall be paid to the government servant in accordance with the Pension Fund Regulatory and Development Authority (Operationalisation of Unified Pension Scheme under National Pension System) Regulations, 2025.

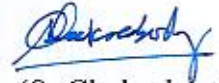
((4). Whenever in the case of a government servant, the President passes an order (whether under original, appellate or in exercise of power of review) awarding benefits less than full benefits, the Union Public Service Commission shall be consulted before such order is passed.

((5). The order passed under this rule shall be without prejudice to any order passed under the Central Civil Services (Payment of Gratuity under National Pension System) Rules, 2021 for grant of gratuity to the government servant compulsorily retired from government service.

((6). The assured payout granted on compulsory retirement from service shall not be less than the minimum payout admissible under the Unified Pension Scheme.

Contd.

(7). All Ministries/Departments are requested that the above provisions regarding effect of compulsory retirement from Government service as a penalty on the Assured payout in respect of Central Government Civil employees opted for UPS under the NPS may be brought to the notice of the personnel dealing with the UPS/NPS matters of employees in the Ministry/Department and attached/subordinate offices thereunder, for strict implementation.



(S. Chakrabarti)

Under Secretary to the Government of India

To

All Ministries/Departments/Organisations,
(As per standard list)