

No. - 57/03/2022-P&PW(B)/8361(6)

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 dismissal or removal from Government service on the Assured Payout in respect of Central Government employee 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 21 of these rules provides for effect of dismissal or removal from Government service 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 is dismissed or removed from Government service, he/she shall forfeit assured payouts arising out of the individual corpus under the Unified Pension Scheme.

(3). However, on forfeiture of the assured payout under the Unified Pension Scheme on dismissal or removal from service, the accumulated pension wealth in the individual corpus under the Unified Pension Scheme of the subscriber, shall be payable in lump sum to the subscriber or in the event of death of subscriber, to the legally married spouse, or in the absence thereof to the legal heir(s) under the Pension Fund Regulatory and Development Authority (Operationalisation of Unified Pension Scheme under National Pension System) Regulations, 2025.

(4). 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 dismissed or removed from government service.

Contd -

(5). All Ministries/Departments are requested that the above provisions regarding effect of compulsory retirement or dismissal or removal from Government service 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)