

## **Frequently Asked Questions (FAQs) - Unified Pension Scheme (UPS)**

*(Updated on 19.09.2025)*

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## **Introduction about UPS and Eligibility**

### **1. What is Unified Pension Scheme (UPS)?**

The Unified Pension Scheme (UPS) is introduced by the Central Government as an option under the National Pension System (NPS) for Central Government employees with effect from 1st April 2025. The UPS provides assured pay-out based on the prescribed conditions.

### **2. Whether existing central government employee is eligible to opt for UPS?**

Yes, an existing Central Government employee in service as of 1 April 2025, who is covered under National Pension System (NPS) is eligible to opt for UPS.

### **3. Whether newly recruited Central government employee is eligible to opt for UPS?**

Yes, Central Government employees joining service on or after 1 April 2025 will be eligible to opt for UPS.

### **4. Whether Central government employee retired prior to 31 March 2025 is eligible to opt for UPS?**

Yes, a Central Government employee who was covered under NPS and retired on or before 31<sup>st</sup> March 2025 is eligible to opt for UPS, provided they meet any of the following prescribed conditions:

- (i) Has superannuated after minimum 10 years of qualifying service; or
- (ii) Has voluntarily retired or retired under the provisions of Fundamental Rules 56(j) (which is not treated as penalty under Central Civil Services (Classification, Control and Appeal) Rules, 1965), on or before 31<sup>st</sup> March 2025, or
- (iii) the legally wedded spouse in case of a subscriber who has superannuated or retired and has demised prior to exercising the option for UPS.

### **5. What are the forms to be filled by eligible Central Government employee to opt for UPS?**

<b>Name of Form</b>	<b>Eligibility to opt UPS</b>
Form A1	Newly recruited Central Government employees joining service on or after 1 <sup>st</sup> April 2025.
Form A2	Existing Central Government Employee covered under NPS

### **6. From where the forms for enrollment under UPS can be obtained?**

The forms A1, A2, along with the instructions and list of documents to be attached can be downloaded from the website of the Protean CRA at, [www.npscra.nsdl.co.in/ups.php](http://www.npscra.nsdl.co.in/ups.php)

**7. What is the timeline to exercise the option of UPS under NPS by an eligible existing (as on 31.03.2025) Central Govt employee?**

Option has to be exercised by 30th September 2025 or within such extended timelines if any, allowed by the Central Government.

**8. What is the timeline to exercise the option of UPS under NPS by an eligible retired (as on 31.03.2025) Central Govt employee?**

Option has to be exercised by 30th September 2025, or within such extended timelines if any, allowed by the Central Government.

**9. What is the timeline to exercise the option of UPS under NPS by the legally wedded spouse in case of a subscriber who superannuated or retired and demised prior to exercising the option for UPS?**

Option has to be exercised by 30th September 2025, or within such extended timelines if any, allowed by the Central Government.

**10. What is the timeline to exercise the option of UPS under NPS by new recruit to the Central Govt services joining on or after 1st April 2025?**

Option has to be exercised within thirty (30) days from the date of joining Central Government services or within such extended timelines, if any, allowed by the Central Government.

**11. Can a UPS subscriber switch to NPS at a later date?**

Yes, a “one-time, one-way switch” facility is available for reverting to the National Pension System at any time during the service of the subscriber, within following timelines:

- (a) twelve months prior to the date of superannuation;
- (b) three months prior to the deemed date of voluntary retirement;
- (c) at the time of resignation or compulsory retirement under Fundamental Rule 56(j), which is not a penalty.

**12. What happens if the switch facility is availed by the subscriber?**

The subscriber shall be eligible for the employer contribution at the rate of fourteen percent as available under the NPS. The additional four percent contribution for the period during which subscriber was under UPS (before the switch facility becomes effective) shall be computed on the default investment pattern, as notified by the Authority, and credited to the NPS Account of the subscriber.

The future contributions of the Central Government, after the switch facility become effective, will be credited to the NPS account of the subscriber, at the rate of fourteen per cent. as per the provisions of the Central Civil Services (Implementation of National Pension System) Rules, 2021, in the following month in which switch facility has been exercised. The subscriber may also exercise investment choices for such future contributions.

Provisions of the PFRDA (Exits and Withdrawals under the National Pension System) Regulations, 2015 shall apply in respect of such subscribers. Such subscribers will not be eligible for assured payout and other benefits under the Unified Pension Scheme.

*(For more details on the switch facility, refer Rule 11 of the Central Civil Services (Implementation of the Unified Pension Scheme under the National Pension System) Rules, 2025)*

**13. What happens if the employee fails to opt for UPS within the specified time period?**

An eligible person, who does not exercise the UPS option under NPS within the timelines laid down shall be deemed to have opted to continue under NPS without UPS option.

**14. What is Permanent Retirement Account Number (PRAN) under UPS?**

PRAN is a Permanent Retirement Account Number allocated to subscriber opening/opting for UPS, and under which all the transactions are recorded by the CRA system.

**15. What are the proofs of Identity and address documents required in form for opening UPS account?**

Identity and address proof are the key KYC documents. Any one of the following to be submitted:

1. Passport	2. Driving License	3. Voter ID Card	4. CKYC Number
5. National Population Register		6. Proof of possession of Aadhaar	

**16. Where the option form/ account opening forms under UPS is to be submitted by the subscriber?**

The form can be submitted online or physically to the Head of Office / DDO where the subscriber is employed. Subscribers are advised to retain the acknowledgement slip signed/stamped by the designated respective nodal office where they submit the application

**17. Whether there is an online process for enrolment under UPS?**

Yes, subscriber can submit their request for enrolment online by filing required forms through CRA website. Once it is submitted, the form goes to the DDO and then to PAO for verification.

**18. What are the details to be filled by Nodal Office in the account opening form for UPS?**

Employment Details (At the time of exercise of UPS option)

- i. Date of joining
- ii. Date of Superannuation
- iii. Date of commencement of qualifying service
- iv. Employee Code/ID
- v. Basic Pay
- vi. Pay Scale (Optional)

- vii. Name of the office
- viii. Department
- ix. Ministry
- x. DDO Registration Number
- xi. PAO / CDDO / Pr.AO Registration Number.

**19. What is qualifying service under UPS?**

Qualifying service shall be the completed months for which UPS subscriber has rendered regular services under the Central Government, determined by the Head of Office, in terms of Regulation 13 of the PFRDA (Operationalization of Unified Pension Scheme under National Pension System) Regulations, 2025.

**20. Where the forms are to be submitted/processed by the nodal office?**

Through the online system of the CRA.

**21. How the subscriber can obtain the status of his/her application?**

The Subscriber can obtain the status of his/her application from CRA and respective Nodal Office.

**22. Will UPS subscribers still be able to open/maintain/hold voluntary NPS Tier-I/II accounts?**

Yes, UPS Subscriber may, in addition to his UPS account, have additional account under NPS (Tier I and Tier II) on a voluntary basis under All Citizen model.

## **FAQs related to Contributions under UPS**

### **23. How much is monthly contribution under UPS?**

The monthly contribution of 10% of (basic pay + DA) by the employee along with a matching contribution by the employer, shall be credited to each employee's PRAN through the concerned nodal office.

Further, an estimated 8.5% contribution towards Pool Corpus shall be paid by Central Government, on aggregate basis.

### **24. What will happen to my existing corpus on migration from NPS to UPS?**

On migration from NPS to UPS, the corpus of the subscriber will get transferred to the PRAN tagged to UPS.

### **25. On migration from NPS to UPS, whether new PRAN will be issued?**

On migration from NPS to UPS, the subscriber shall be identified by the erstwhile PRAN tagged to UPS.

### **26. What is Individual Corpus and Benchmark Corpus?**

Individual Corpus means the value of corpus available in the PRAN of a subscriber under UPS.

Benchmark Corpus is a notional value computed by CRA for comparison with individual corpus. It is based on NAV of the default investment. (For more details, Regulation 12 and Illustrations in Schedules to the Regulations, may be referred).

### **27. What are the timelines to be followed by the govt nodal offices for processing and remittance of contributions under UPS?**

<b>Particulars</b>	<b>TATs</b>
DDO shall deduct the contribution from the salary of the Central Government employee and send the bill to the PAO or Cheque Drawing and Disbursing Officer (CDDO) as the case maybe along with the details of contribution deducted in respect of each UPS Subscriber	on or before the twentieth (20 <sup>th</sup> ) day of each month.
The PAO or the CDDO as the case may be shall prepare and upload a Subscriber Contribution File (SCF) and generate transaction ID in the system of the CRA	on or before the twenty fifth (25 <sup>th</sup> ) day of each month.
The PAO or the CDDO as the case may be, shall remit the employee contribution and matching co-contribution by the Central Government to the trustee bank through the accredited bank	by the last working day of each month.  for the month of March, shall be remitted on the first (1 <sup>st</sup> ) working day of the month of April.

First contribution of a newly recruited Central Government employee shall be credited to the individual PRAN	within twenty (20) days from the date of submission of application or by the last date of the month in which the Central Government employee joined, whichever is later.
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## **28.What is Pool Corpus under UPS?**

The government contributes an estimated 8.5% towards a Pool Corpus based on aggregate employee data.

The Pool Corpus shall comprise of: -

- i. additional Central Government contribution at an estimated eight and half percent of Basic Pay (including non-practicing allowance, wherever applicable) plus Dearness Allowance, on aggregate basis of all employees who have chosen the UPS option;
- ii. transfer of balance from the individual corpus of a subscriber as per regulation 19 (3); and
- iii. any other contribution defined by the Central Government.

## **29. How is the Pool Corpus managed?**

The Pool Corpus shall be allocated to such pension fund(s) as determined by the Central Government, who shall invest the funds in accordance with the investment pattern and related aspects thereto, as approved by the Central Government.

## **FAQs related to Investment of Contributions**

### **30. Can an employee select the pension fund and investment pattern under UPS?**

Yes, employees can choose from registered pension funds and investment patterns, including default patterns defined by PFRDA.

### **31. What happens if an employee does not choose a pension fund?**

In such cases, the employee will be assigned the default pension fund and investment pattern defined by PFRDA.

### **32. What are the options of investment choices for individual corpus other than default pattern?**

- i. Option to invest hundred percent of the funds in Government securities (Scheme G); or
- ii. Option of any one of the following Life Cycle based schemes:
  - (a) Conservative Life Cycle Fund with maximum exposure to equity capped at twenty- five percent. LC-25; or
  - (b) Moderate Life Cycle Fund with maximum exposure to equity capped at fifty percent. LC-50.

### **33. How many times the choice of pension fund and investment choice can be exercised in a financial year?**

UPS Subscriber shall have an option to change

- the choice of pension fund once in a financial year and
- investment choice twice in a financial year.

### **34. How Benchmark Corpus is calculated?**

Benchmark corpus shall be computed in the following manner:

- (i) Partial withdrawals made out of individual corpus and voluntary contributions made into the individual corpus shall not be considered in the computation.
- (ii) For contributions received prior to 1st April, 2025: monthly contributions shall be considered as and when they have been received and be valued on default pattern.
- (iii) For contributions received on or after 1st April, 2025:
  - (a) monthly contributions which are to be received in that month, shall be considered as and when received during the month and valued on default pattern.
  - (b) In the event of any missing contribution in any month, value shall be based on the weighted average NAV of default pattern as on the last working day of the month applied to monthly contributions of previous full month.
- (iv) Contributions arising from arrears, such as arrears of Dearness Allowance shall be considered and valued on the default pattern as and when they are received.

### **35. Will the subscriber be informed of corpus value updates?**

Yes, CRA will provide details of the individual corpus and benchmark corpus in the PRAN account statement periodically.



## FAQs related to Benefits under UPS

### **36. How is the assured payout calculated under UPS?**

- The rate of full **assured payout** will be @50% of 12 monthly average basic pay, immediately prior to superannuation, payable after a minimum 25 years of qualifying service.
- In case of lesser qualifying service period, proportionate payout would be admissible.
- A **minimum guaranteed payout** of Rs. 10,000 per month shall be assured in case superannuation is after 10 years or more of qualifying service subject to timely and regular credit of contributions and no withdrawals.
- In cases of **voluntary retirement** after a minimum 25 years of qualifying service, assured payout will commence from the date on which the employee would have superannuated if he had continued in service.

$$\text{Assured Payout} = (\frac{1}{2} \text{ of } P) \times (Q/300)$$

- **P** = Average of Basic Pay for the last 12 months before retirement.
- **Q** = Number of qualifying service months.

If Q is:

- Less than 120 months → UPS benefits do not apply.
- More than 300 months → Q is capped at 300 months.

### **37. When will the payout commence in case of voluntary retirement?**

In cases of voluntary retirement after a minimum of 25 years of qualifying service, assured payout will commence from the date on which the employee would have superannuated if he had continued in service. However, the subscriber is eligible to receive a one – time Lump-sum Payment (10%) and Final Withdrawal (60%) immediately at the time of VRS.

### **38. What happens to the payout on taking voluntary retirement on completion of twenty (20) years of regular service?**

The subscriber, on voluntary retirement from service after completion of twenty years, shall be entitled to pro-rata assured payout, as admissible. Further, the subscriber is eligible to receive a one – time Lump-sum Payment (10%) and Finals Withdrawal (60%) immediately at the time of VRS.

*(For more details about retirement on completion of twenty years' regular service, refer to Rule 13 of the Central Civil Services (Implementation of the Unified Pension Scheme under the National Pension System) Rules, 2025)*

### **39. What is the amount of minimum guaranteed payout under UPS?**

A minimum guaranteed payout of Rs. 10,000 per month is guaranteed after completing 10 years of qualifying service.

**40. Will the assured payout under UPS reduce in case of reduction in qualifying service?**

Yes, in case of Qualifying service period of ten years or more, but less than twenty-five years, proportionate payout shall be payable.

**41. Under what conditions shall the assured payout reduce?**

Assured payout shall be proportionately reduced in any or both of the following cases –

- a) **Individual corpus is less than the benchmark corpus** as on the date of superannuation or voluntary retirement or retirement under Fundamental Rules 56(j), as may be applicable;
- b) **Final withdrawal not exceeding sixty percent of the individual corpus**, as opted by a subscriber. The assured payout so proportionately reduced shall be payable **as admissible payout**.

**42. What is Admissible Payout?**

The assured payout (refer Q 41) proportionately reduced shall be payable as admissible payout. The formula for calculating admissible payout is as under:

Admissible Payout = Assured Payout  $\times$  IC/BC  $\times$  (1-FW%), where, IC= value of Individual Corpus, BC= value of Benchmark Corpus, with condition of IC  $\leq$  BC

FW= Final withdrawal in percentage points (maximum upto sixty percent of IC or BC, whichever is lower).

**43. What is Family Payout under UPS?**

The legally wedded spouse as on date of superannuation/retirement of the deceased subscriber shall receive for life, family pay out of *sixty percent* of the amount of the admissible payout or top-up amount drawn by the subscriber immediately prior to the demise.

**44. Subscriber who was eligible to receive UPS benefits but has not claimed any benefits prior to demise, whether spouse of such deceased UPS subscriber is eligible to receive UPS benefits?**

Yes, the legally wedded spouse shall be eligible to receive the benefits payable to the deceased subscriber till the date of his/her demise, including Lump-sum Payment and Final Withdrawal. Thereafter, the spouse shall be eligible for a family pay out of *sixty percent* of the amount the subscriber was eligible to receive immediately prior to the demise.

**45. What are the benefits available under UPS, to superannuated or retired employees covered under National Pension System on or before 31st March 2025?**

Employee who complies with the requirements under regulation 4 and regulation 19 shall be eligible to receive the following benefits –

- a) lumpsum payment;
- b) monthly top-up amounts payable immediately after the date of superannuation or retirement;
- c) applicable dearness relief; and
- d) simple interest as per applicable Public Provident Fund rates on arrears with respect to above benefits for the past period from the month after superannuation up to the month preceding the submission of claim forms.

Further, *no interest* shall be payable for the period beyond the last date of submission of option or claim as per clause (ii) of regulation 3.

The benefits specified under sub-regulation (1) *shall be in addition* to the benefits availed or accrued to such employee under NPS including annuity, if any under NPS.

**46. How the monthly top-up amount is calculated for employees already retired on or before 31st March 2025 and receiving annuity under NPS?**

Such employees will receive monthly top-up amount, which will be calculated as follows:

Monthly top-up = (Admissible Payout + Dearness Relief on Admissible Payout) - Representative Annuity amount

**47. What is Representative Annuity rate & amount?**

Representative Annuity rates for the period from January 2014 to March 2025 are provided under Schedule VI of PFRDA (Operationalization of Unified Pension Scheme under National Pension System) Regulations, 2025.

Representative annuity amount =  $(IC) \times (1 - FW\%) \times (\text{Representative Annuity Rate}) / (12 \times 100)$ . In case IC is greater than BC, IC shall be taken as equal to BC.

**48. What benefits available and when payable under UPS to subscriber/Spouse?**

**Table- 1 (UPS subscriber who superannuated/retired on or before 31/03/2025)**

Type of Benefit	UPS subscriber who superannuated/retired on or before 31/03/2025		
	By subscriber	By spouse (deceased subscriber already availed benefits)	By spouse (deceased subscriber not availed benefits)
<b>Claim Forms</b>	<b>B2</b>	<b>B4</b>	<b>B6</b>
<b>Lumpsum payout (1/10<sup>th</sup> of last drawn basic pay + DA) for every completed 06 months</b>	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement, along with interest.	Not applicable	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement, along with interest.
<b>Final withdrawal amount (maximum 60% of IC or BC, whichever is lower)</b>	Not applicable, as already settled under NPS.	Not applicable, as already settled under NPS.	Not applicable, as already settled under NPS.

<b>Monthly Top-up amount</b> (including DR)	Upon submission of claim form and its authorization by PAO, payable immediately after date of superannuation/retirement, along with arrear and interest.	Upon submission of claim form and its authorization by PAO, Monthly Family Payout (60 % of top-up amount payable to subscriber) payable immediately after demise of subscriber.  Adjustment of excess monthly top up paid for subscriber upto the date of commencement of family payout, if any, shall be made	Upon submission of claim form and its authorization by PAO, Monthly Family Payout (60 % of top-up amount payable to subscriber), payable immediately after demise of subscriber.  Arrears upto date of commencement of Family Payout (including arrears of monthly top up payout payable to subscriber)
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**Table- 2 (UPS subscriber who superannuated/retired on or after 01/04/2025)**

Type of Benefit	UPS subscriber who superannuated/retired on or after 01/04/2025		
	By subscriber	By spouse (deceased subscriber already availed benefits)	By spouse (deceased subscriber not availed benefits)
<b>Claim Forms</b>	<b>B1</b>	<b>B3</b>	<b>B5</b>
<b>Lumpsum payout (1/10<sup>th</sup> of last drawn basic pay + DA) for every completed 06 months</b>	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement	Not applicable	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement.
<b>Final withdrawal amount (maximum 60% of IC or BC whichever is lower)</b>	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement.	Not applicable	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement.
<b>Monthly Admissible Payout</b>	Upon submission of claim form and its authorization by PAO, payable immediately after date of superannuation/retirement under FR 56 (j). In case of voluntary retirement payable from the deemed date of superannuation.	Upon submission of claim form and its authorization by PAO, Monthly Family Payout (60 % of monthly payout to subscriber), payable immediately after demise of subscriber.  Adjustment of excess monthly top up paid for subscriber upto the date of commencement of family payout, if any, shall be made	Upon submission of claim form and its authorization by PAO, Monthly Family Payout (60 % of monthly payout payable to subscriber), payable immediately after demise of subscriber.  Arrears upto date of commencement of Family Payout (including arrears of monthly payout payable to subscriber)
<b>Excess, if any, of Individual Corpus vis-a-vis Benchmark Corpus</b>	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement.	Not applicable	Upon submission of claim form and its authorization by PAO, payable as on date of superannuation/retirement.

#### **49. Who are eligible to receive assured payouts under UPS?**

Assured Payout, subject to certain conditions, shall be available only in the following cases: -

- (a) In case of an employee superannuating **after qualifying service of 10 years**, from the date of superannuation;
- (b) 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
- (c) 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.

#### **50. Who can claim family payout under UPS?**

Only the legally wedded spouse as on date of superannuation/retirement of the deceased UPS subscriber whose name appears as such in the service records as on the date of superannuation or voluntary retirement or retirement under Fundamental Rules 56(j), as may be applicable, and who is surviving the deceased subscriber is eligible for claiming family payout under UPS.

#### **51. Whether the spouse of the subscriber who married the subscriber after the date of superannuation, is eligible for family payout?**

No, only the legally wedded spouse as on date of superannuation/retirement is eligible for family payout.

#### **52. Is there any provision for lump-sum payment under UPS?**

Yes, a lump-sum amount equivalent to one-tenth of the last drawn basic pay (plus NPA and DA) is paid for every completed 6-month period of qualifying service.

#### **53. Is there any option to withdraw an amount under UPS at the time of retirement? How much is the final withdrawal percentage?**

Yes, UPS Subscriber shall have an option of final withdrawal for an amount not exceeding sixty percent (60%) of the individual corpus or benchmark corpus, whichever is lower, available in the PRAN tagged to UPS as on the date of superannuation or voluntary retirement or retirement, subject to proportionate reduction in the assured payout payable to such UPS Subscriber.

#### **54. How the final withdrawal amount shall be calculated in case Individual Corpus is more than the benchmark corpus?**

Final withdrawal of up to 60% of the individual corpus or benchmark corpus (whichever is lower) is allowed as on date of Superannuation or Voluntary retirement or retirement under 56(j).

#### **55. When will final withdrawal be admissible?**

Such final withdrawal shall be admissible on the date of superannuation or voluntary retirement or retirement under Fundamental Rules 56(j).

**56. How is Dearness Relief applied under UPS?**

Dearness Relief as declared by the Central Government from time to time, will be applicable on admissible payout and family payout. Dearness Relief shall be payable only when admissible payout commences.

**57. Can a subscriber make partial withdrawals during the service period?**

Yes, partial withdrawals maximum up to 3 times, up to 25% of self-contribution (excluding returns) are allowed after completion of lock-in period of three years from the date of enrolment under UPS or NPS whichever is earlier, for specified purposes.

**58. What purposes are allowed for partial withdrawal under UPS?**

Higher education of children, marriage of children, purchase/construction of residential house, medical emergencies, disability-related expenses, and skill development.

**59. How many times can partial withdrawals be made under UPS?**

A maximum of three times, including withdrawals made under NPS before opting for UPS.

**60. Is there any option to replenish the partial withdrawal made under UPS?**

Yes, the subscriber has the option to replenish the partially withdrawn amount before retirement.

**FAQs related to Benefits under UPS in case of death or invalidation or disability of subscriber during service / Resignation from the service**

*(Refer to the Central Civil Services (Implementation of the Unified Pension Scheme under the National Pension System) Rules, 2025)*

**61. How can the subscriber's family avail benefits of family pension on death or invalidation or disability of subscriber during service?**

In the event of death or boarding out on account of disablement or retirement on invalidation of UPS subscriber, options for benefits of family pension under the UPS or under OPS i.e. the Central Civil Service (Pension) Rules, 2021 / the Central Civil Service (Extraordinary Pension) Rules, 2023 are available.

For this, the government employee covered under the UPS shall exercise such option in Form 1 and submit the details of family in Form 2 to the Head of Office, at the time of migration/joining.

**62. Can this option for family pension under OPS be revised?**

The option for family pension under OPS may be revised at any number of times by the subscriber before his retirement by making a fresh option intimating his revised option in Form 1 to the Head of Office.

**63. What happens to individual corpus under UPS in case of benefits availed under OPS?**

UPS account of the subscriber shall be closed and the government contribution and returns thereon in the individual corpus of the subscriber shall be transferred to government account. The remaining amount in the individual corpus shall be paid to the subscriber or the legally wedded spouse (as on the date of death of the subscriber), as the case may be. If the subscriber has no legally wedded spouse, the remaining amount in the individual corpus shall be paid to the legal heir(s) of the subscriber in lump sum.

**64. What happens if the subscriber resigns from the central government service?**

No assured payout under UPS shall be payable. However, in case of resignation, the accumulated pension wealth in the individual corpus shall be payable to the subscriber in lump sum in accordance with the regulations as notified by the PFRDA.

**65. What happens if the subscriber resigns for taking up another central government service?**

In such cases, the subscriber shall continue under the UPS with the same PRAN. He shall be deemed to be a subscriber of the UPS from the date he was first appointed in the Central Government.

**66. What happens if the subscriber has resigned with proper permission to take another appointment in the State Government or any autonomous body/PSU, on or after completion of ten years of qualifying service?**

The subscriber shall be entitled to assured Payout admissible under the PFRDA (Operationalisation of Unified Pension Scheme under National Pension System) Regulations, 2025, as in case of superannuation.

**67. What happens if a subscriber has been permitted to be absorbed in a service or post in or under a corporation or company wholly or substantially owned or controlled by the Central Government or a State Government or in or under a body controlled or financed by the Central Government or a State Government?**

In such cases, the subscriber shall be deemed to have retired from the central government service from the date of such absorption. If the qualifying service is less than ten (10) years, the accumulated pension wealth in the individual corpus under the UPS shall be payable to the subscriber in lump sum. In case of completion of qualifying service of ten years at the time of such absorption, the subscriber shall be entitled to assured payout admissible under UPS.



## **FAQs on Effect of Disciplinary or Judicial Proceedings on Benefits under UPS**

*(Refer to the Central Civil Services (Implementation of the Unified Pension Scheme under the National Pension System) Rules, 2025)*

### **68. What happens in case of compulsory retirement (as a penalty)?**

A government servant compulsorily retired from service as a penalty, may be granted, 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 as per UPS regulations.

### **69. What happens in case of dismissal or removal from the service?**

Assured payouts arising out of the individual corpus under the Unified Pension Scheme, shall be forfeited in case of dismissal or removal. Further, 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 wedded spouse, or in the absence thereof to the legal heir(s).

### **70. What will be the effect of departmental or judicial proceedings pending on retirement?**

Such subscriber shall not be paid any assured payout arising out of the individual corpus under the Unified Pension Scheme. Further, such subscriber shall be entitled to the accumulated pension wealth in the individual corpus under the Unified Pension Scheme, to be paid in lump sum.

Further, on conclusion of departmental or judicial proceedings, where the government servant is fully exonerated from all charges, the government servant or legally wedded spouse, as the case may be, shall have an option of availing assured payout under the Unified Pension Scheme by paying back the lump sum amount so availed.

### **71. Can the spouse be debarred from receiving assured payout?**

If the spouse is charged with the offence of murdering the subscriber or for abetting the commission of such an offence, his or her claim to receive family payout shall remain suspended till the conclusion of the criminal proceedings instituted against him or her.

## **FAQs related to operational issues on Payment of Benefits under UPS**

### **72. How are UPS benefits claimed after retirement/death of the subscriber?**

The subscriber or legally wedded spouse as on date of superannuation/retirement of the subscriber, as the case may be, must submit the relevant application forms to the Head of Office or DDO.

<b>To be Submitted by</b>	<b>Form No.</b>	<b>Conditions to apply</b>
Subscriber	B1	who superannuated or retired on or after 1st April 2025
Subscriber	B2	who superannuated or retired on or before 1st April 2025
<b>In case of Death of the subscriber</b>		
Spouse of the deceased subscriber	B3	who superannuated or retired on or after 1st April 2025 and eligible for UPS benefits and subscriber had already availed benefits under UPS
Spouse of the deceased subscriber	B4	who superannuated or retired on or before 31st March 2025 and eligible for UPS benefits and subscriber had already availed benefits under UPS
Spouse of the deceased subscriber	B5	who superannuated or retired on or after 1st April 2025 and eligible for UPS benefits and subscriber had not availed benefits under UPS
Spouse of the deceased subscriber	B6	Who superannuated or retired on or before 31st March 2025 and eligible for UPS benefits and subscriber had not availed benefits under UPS

### **73. What is UPS Payout Order (UPO)?**

The UPS Payout order contains the details of the benefits payable to a UPS Subscriber.

### **74. Who will authorize UPS payout order?**

The UPO shall be authorized by the respective PAO and sent to the National Pension System Trust through CRA.

A copy of such UPS Payout Order shall simultaneously be made available to the UPS Subscriber or the legally wedded spouse as on date of superannuation/retirement, as the case may be.

- Upon receipt of UPS Payout Order by National Pension System Trust together with option of final withdrawal, if any, by the UPS subscriber, the National Pension System Trust shall authorize the release of UPS benefits as specified under these regulations and authorise the transfer of the balance in the individual corpus to pool corpus.
- The National Pension System Trust shall ensure payment of monthly payout from the Pool Corpus to the bank account of the UPS subscriber and periodic release of applicable dearness relief. For this purpose, CRA shall intimate to the pension fund to effect redemption from the Pool Corpus for payment of such payout to the subscriber.

### **75. What details are covered in UPS Payout Order (UPO)?**

- requisite details of UPS Subscriber including particulars of legally wedded spouse as on date of superannuation/retirement of such subscriber as appearing in the service records,
- the period of qualifying service;
- details of joint bank account of the UPS Subscriber and legally wedded spouse as on date of superannuation/retirement;

- d) percentage of final withdrawal upto sixty percent of individual corpus or benchmark corpus, whichever is lower, as opted by UPS Subscriber;
- e) details of benefits applicable under UPS as specified under these regulations, such as:
  - i. lumpsum payment;
  - ii. excess, if any, of individual corpus vis-à-vis benchmark corpus
  - iii. assured payout;
  - iv. admissible payout;
  - v. top-up amount (applicable for retirees on or after 31.03.2025)
  - vi. family payout;
  - vii. applicable dearness relief.
- f) the date of commencement of admissible payout to subscriber.

**76. How UPS Payout Order and monthly payouts shall be processed?**

NPS Trust shall authorize release of benefits upon receipt of UPS Payout Order.

Further, the NPS Trust shall ensure payment of monthly payout from the Pool Corpus to the bank account of the UPS Subscriber and periodic release of applicable dearness relief.

**77. What is the role of nodal offices and the CRA in processing of claims under UPS?**

- a) The CRA shall make available the details of partial withdrawals made if any, by superannuated or retired employee, and value of individual corpus and benchmark corpus as on the date of superannuation or retirement to DDO and PAO in their CRA system login.
- b) The DDO shall update the records in CRA system after obtaining necessary details, if required from Head of Office and forward the same to PAO for its authorization in such system.
- c) Based on the verification of subscriber details by Head of Office, the PAO shall issue a UPS Payout order, as per Form B1, B3 or B5, as applicable, containing details as specified under regulation 20.
- d) Upon receipt of UPS Payout Order by National Pension System Trust together with option of final withdrawal if any by the UPS subscriber, the National Pension System Trust shall authorise the release of UPS benefits as specified under these regulations and authorise the transfer of the balance in the individual corpus to pool corpus.

The National Pension System Trust shall ensure payment of monthly payout from the Pool Corpus to the bank account of the UPS subscriber and periodic release of applicable dearness relief. For this purpose, CRA shall intimate to the pension fund to effect redemption from the Pool Corpus for payment of such payout to the subscriber.

**78. Is gratuity payable to central government employees covered under UPS?**

The Central Government employees covered under the Unified Pension Scheme shall be eligible for benefit of 'Retirement gratuity and Death gratuity' under the provisions of the Central Civil Service (Payment of Gratuity under National Pension System) Rules, 2021.

*(Refer to Office Memorandum No. 57/01/2025-P&PW(B)/UPS/10498 dated 18.06.2025 issued by the Department of Pension and Pensioners' Welfare, Ministry of Personnel, P.G. and Pensions, Government of India)*

## **FAQs related to Tax Treatment under UPS**

### **79. What are the tax provisions related to UPS?**

As per the Office Memorandum F. No. 178/4/2025-ITA-1 dated 02.07.2025 issued by the Central Board of Direct Taxes, the provisions of Section 80CCD (1), 80CCD (1B), 80CCD(2), 80CCD(3), 80CCD(4), 10(12A) and 10(12B) of the Income Tax Act, 1961 would be applicable mutatis-mutandis to Unified Pension Scheme (UPS) to the extent of limits as provided in the aforementioned Sections.

### **80. What is the tax treatment for the contributions made by the Central Government to the Individual corpus of the subscribers under the Unified Pension Scheme (UPS)?**

The Central government contributes 10% of monthly emoluments (Basic Pay + Dearness Allowance) of the employees to the individual corpus. This contribution is eligible for deduction under section 80 CCD (2) of the IT Act, 1961 [Section 124(1) of the Income Tax Act, 2025] as UPS is an option under the National Pension System.

### **81. What is the tax treatment for the employee's contributions towards the UPS?**

The employee's contribution towards UPS, up to 10% of monthly emoluments (Basic Pay + Dearness Allowance), is eligible for deduction under the Section 80 CCD(1) of the IT Act, 1961 [Paragraph 1(y) of Schedule XV of the Income Tax Act, 2025] as UPS is an option under the National Pension System.

### **82. What is the tax treatment of the contribution by the government to the Pool Corpus which is 8.5% of (basic pay + Dearness Allowance)?**

The additional contribution provided by the Central government, amounting to 8.5% of monthly emoluments (Basic Pay + Dearness Allowance), is made at an aggregate level basis directly to the pool corpus. This contribution is not towards the individual corpus. Therefore, this contribution is not treated as income in the hands of the employee, neither as salary nor as perquisite and is not chargeable to tax.

### **83. Is the amount partially withdrawn by a subscriber from their individual account/corpus under the Unified Pension Scheme (UPS) taxable?**

The amount partially withdrawn to the extent of 25% of his own contribution from the Individual Corpus is exempted from tax under Section 10(12B) of the IT Act, 1961 [Schedule III Table: Sl.No 4 of the Income Tax Act, 2025] as UPS is an option under the National Pension System.

**84. Upon superannuation or retirement, an employee under the Unified Pension Scheme (UPS) is required to authorise the transfer of the value or units from their individual corpus to the pool corpus. What is the tax treatment of such a transfer within the UPS?**

For subscribers to the Unified Pension Scheme (UPS), any amount transferred from the Individual Corpus to the pool corpus at the time of superannuation or retirement is deemed not to have been received by the assessee in the relevant previous year. Such transfers within the UPS framework are not taxable as income under Section 80 CCD(6) of the IT Act, 1961 [Section 124(12) of the Income Tax Act, 2025].

**85. Is income tax payable on the lump sum payment received from the Unified Pension Scheme (UPS) at the time of retirement?**

The lump sum payment payable to an employee at the time of superannuation or retirement is calculated as 10% of monthly emoluments (Basic Pay Dearness Allowance) for every completed six months of qualifying service. This entire amount is exempt from income tax under Section 10(12AB) of the IT Act, 1961. [Schedule II Table: Sl.No 16 of the Income Tax Act, 2025].

**86. A subscriber under the Unified Pension Scheme (UPS) is allowed to withdraw a portion of the individual corpus at the time of superannuation or retirement. Is this amount taxable?**

A subscriber shall have an option to withdraw an amount not exceeding 60% of the Individual corpus or Benchmark Corpus, whichever is lower at the time of superannuation or retirement. This amount is exempt from taxation under Section 10(12AA) of the IT Act, 1961 [Schedule II Table: Sl.No 15 of the Income Tax Act, 2025].

**87. An employee can exercise investment choices for the Individual Corpus. If the Individual Corpus exceeds the Benchmark Corpus for a particular employee, the excess amount is credited to the employee in lumpsum. Is this excess amount taxable?**

The amount up to 60% of the Individual corpus is exempt from taxation under section. 10(12AA) of the IT Act, 1961 [Schedule II Table: Sl.No 15 of the Income Tax Act, 2025] Accordingly, the 60% of the excess of Individual Corpus over the Benchmark corpus is also exempt. The remaining 40% of the excess amount will be chargeable to tax

**88. What is the tax treatment for payouts received by an employee under UPS?**

The amount of monthly payouts received by an employee is in the nature of pension and hence is chargeable to income tax under the head "Salaries"

**89. What is the tax treatment for payouts received by the spouse of the deceased employee who was under UPS?**

The amount of monthly family payouts is in the nature of Family Pension, received by the spouse of a deceased employee, who was a subscriber to UPS, is chargeable to tax under the head "Income from other sources".

## 90. Illustrative Example 1:

At the time of superannuation or retirement

Monthly emoluments are Rs 3,00,000/-

Period of service is 25 years

The individual corpus is Rs 2,00,00,000/-

The benchmark corpus is Rs 1,80,00,000/-

Rs 20,00,000/- is credited to the employee in lumpsum (Excess of Individual corpus over the Benchmark corpus)

Amount of Rs 1,08,00,000/- is withdrawn. (60% of IC or BC, whichever is lower i.e. 60% of Rs. 1,80,00,000/-)

No partial withdrawals were made.

### TAX TREATMENT

- i. The lump sum payment is calculated @ 10% of Monthly emoluments for every six monthly completed period of qualifying service ( $10\% \times 3,00,000 \times 25 \times 2$ ) which comes to Rs 15 Lakhs. This is exempted under Section 10(12AB) of the IT Act, 1961 [Schedule II Table: Sl.No 16 of the Income Tax Act, 2025].
- ii. The excess of individual corpus over the benchmark corpus of Rs. 20 Lakh is exempted upto 60% i.e upto Rs. 12 Lakh under Section 10(12AA) of the IT Act, 1961 [Schedule II Table: Sl.No 15 of the Income Tax Act, 2025]. The remaining Rs. 8 Lakh is chargeable to tax and therefore shall be added to the total income of the individual under the head "Salaries" for the tax year in which the payment is paid or allowed or due, whichever is earlier.
- iii. The withdrawal of Rs 1.08 crore is exempted under Section 10(12AA) of the IT Act, 1961 [Schedule II Table: Sl.No 15 of the Income Tax Act, 2025].
- iv. Note: Please refer to the answer to Q. 3 as well.
- v. The transfer of 40% of the remaining individual corpus (Rs 72 Lakh) to the pool corpus is not chargeable to tax under Section 80 CCD (6) of the IT Act, 1961 [Section 124(12) of the Income Tax Act, 2025].

## 91. Illustrative Example 2:

At the time of superannuation or retirement:

Monthly emoluments are Rs 3,00,000/-;

Period of service is 30 years

The individual corpus is Rs 2,00,00,000/-

The benchmark corpus is Rs 2,20,00,000/-

Individual corpus is less than the Benchmark corpus and, therefore, there is no excess amount to be credited to employee.

Amount of Rs 1,20,00,000/- is withdrawn. (60% of IC or BC, whichever is lower i.e. 60% of Rs. 2,00,00,000/-)

No partial withdrawals were made.

### TAX TREATMENT

- i. The lump sum payment is calculated @ 10% of Monthly emoluments for every six monthly completed period of qualifying service ( $10\% \times 3,00,000 \times 30 \times 2$ ) which comes to Rs 18 Lakhs. This is exempted under Section 10(12AB) of the IT Act, 1961 [Schedule II Table: Sl.No 16 of the Income Tax Act, 2025].
- ii. The withdrawal of Rs 1.20 crore is exempt under Section 10(12AA) of the IT Act, 1961 [Schedule II Table: Sl.No 15 of the Income Tax Act, 2025].
- iii. The transfer of 40% of the remaining individual corpus (Rs 80 Lakh) to the pool corpus is not chargeable to tax under Section 80 CCD(6) of the IT Act, 1961 [Section 124(12) of the Income Tax Act, 2025].

### Disclaimer:

This FAQ document is intended solely for informational and reference purposes based on the PFRDA (Operationalisation of UPS under NPS) Regulations, 2025. While every effort has been made to ensure the accuracy of the information provided, it should not be treated as a legal interpretation or a substitute for official regulations, circulars, or notifications issued by the Pension Fund Regulatory and Development Authority (PFRDA) or the Government of India. Users are advised to consult the relevant statutory documents and seek professional guidance, if required, for any specific queries or decisions.

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