30.03.2025

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

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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 are 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, a newly recruited Central Government employees joining service on or after 1 April 2025 is 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 retired on or before 31st March 2025 and who meets prescribed conditions i.e.

(i) who has superannuated after minimum 10 years of qualifying service or
(ii) has retired under Fundamental Rules 56(j) (which is not treated as penalty under Central Civil Services (Classification, Control and Appeal) Rules, 1965), on or before 31st March 2025, or
(iii) the legally wedded spouse of deceased subscriber eligible under UPS.

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

Name of Form	Eligibility to opt UPS
Form A1	Newly recruited Central Government employees joining service on or after 1 April 2025
Form A2	Exercise of Option by an eligible Central Government employee presently subscribed to National Pension System (NPS) for being covered under Unified Pension Scheme (UPS)

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

7. **What are timelines 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 within three **(03) months** from 1st April 2025, or within such extended timelines if any, allowed by the Central Government.

8. **What are timelines 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 within three (03) months from 1st April 2025, or within such extended timelines if any, allowed by the Central Government.

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

   Option has to be exercised within three (3) months from 1st April 2025, or within such extended timelines if any, allowed by the Central Government,

10. **What are timelines 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 the option of UPS be changed subsequently?**

    No, once exercised, the option to choose UPS is final and irrevocable.

12. **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.

13. **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.

14. **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.

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

    Yes, subscriber can submit their request for enrolment online by filing required forms through CRA website.

16. 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 (Operationalisation of Unified Pension Scheme under National Pension System) Regulations, 2025.

17. 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.

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

Yes, subscribers of UPS can voluntarily maintain NPS Tier-I and Tier-II accounts under "All Citizen Model" along with UPS as a separate account within same PRAN number.

FAQs related to Contributions under UPS

19. 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.

20. 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.

21. 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).

FAQs related to Investment of Contributions

22. 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.

23. 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.

24. What are the options of investment choices for individual corpus other that 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.

25. 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.

26. 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

27. 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.

28. When will the payout commence in case of voluntary retirement?

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.

29. 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 service.

30. 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.

31. What is Admissible Payout?

The assured payout so proportionately reduced shall be payable as admissible payout. The formula for calculating admissible payout is as under:

Admissible Payout = Assured Payout x IC/BC x (1-FW%), where, IC= value of Individual Corpus, BC= value of Benchmark Corpus, with condition of IC ≤ BC

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

32. What is Family Payout under UPS?

Upon demise of a UPS Subscriber who was receiving admissible payout or top-up amount, as the case may be, the legally wedded spouse of such 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.

33. 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.

34. 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

35. 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 (Operationalisation of Unified Pension Scheme under National Pension System) Regulations, 2025.

Representative annuity amount= (IC) x (1-FW%) *(Representative Annuity Rate)/ (12*100) where {IC <= BC}.

36. Who are eligible to receive assured payouts under UPS?

Assured Payout shall be available only in the following cases, namely: -

(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.

37. Who can claim family payout under UPS?

Only the legally wedded spouse 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.

38. Whether the spouse of the subscriber married after the date of superannuation, is eligible for family payout?

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

39. 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.

40. Is there any option to withdraw an amount under UPS at the time of retirement and to what extent?

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.

41. What and how much is final withdrawal percentage?

UPS Subscriber shall also have an option to withdraw an amount not exceeding sixty percentage 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 under Fundamental Rules 56(j), as may be applicable subject to proportionate reduction in the assured payout payable to such UPS Subscriber.

42. 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).

43. 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).

44. 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.

45. Whether benefits under UPS are receivable if the employee has been removed or dismissed or has resigned from the service?

No, Assured Payout shall not be available in case of removal or dismissal from service or resignation of the employee. In such cases, the Unified Pension Scheme option shall not apply.

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

Yes, partial withdrawals 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.

47. 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.

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

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

49. 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 operational issues on Payment of Benefits under UPS

50. How are UPS benefits claimed after retirement/death of the subscriber?

The subscriber or legally wedded spouse of the subscriber, as the case may be, must submit the relevant application forms to the Head of Office or DDO. The forms can be downloaded from the website of the Protean CRA at, www.npscra.nsdl.co.in/ups.php

To be Submitted by	Form No.	Conditions to apply
Subscriber	B1	who superannuated or retired on or after 1st April 2025
Subscriber	B2	who superannuated or retired on or before 1st April 2025

In case of Death of the subscriber		
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 2025and 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

51. What is UPS Payout Order (UPO)?

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

52. 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 the case may be.

a) 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 authorize the transfer of the balance in the individual corpus to pool corpus.
b) 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.

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.