Unified Pension Scheme (UPS)

An assured 50% pension for central government employees, live from April 2025.

50% of last-year average basic (assured) | Assured, inflation-indexed pension

In brief

Suits	Central government employees covered by NPS who prefer an assured pension.
You get	50% of the average basic pay of the last 12 months, after 25 years of service, indexed to inflation.
Your money	Contributions continue as under NPS; a one-time switch back to NPS is allowed before retirement.
Tax	Pension is taxed as salary income.
Watch for	Compare the UPS and NPS outcomes for your own service length before choosing.

Key facts

Assured pension	50% of average basic pay of last 12 months
Full pension after	25 years of qualifying service
Minimum pension	₹10,000/month (for 10+ years service)
Family pension	60% of the employee's pension
Effective	1 April 2025 · central government employees under NPS

What's new

Aug 2026	The Finance Ministry told Parliament that about 1.18 lakh employees had chosen UPS by 19 July 2026.
Nov 2025	The opt-in window for existing employees closed on 30 November 2025.
Aug 2025	Employees who chose UPS were given a one-time option to move back to NPS before retirement.

> The full guide answers 11 questions on UPS, from eligibility to tax and withdrawals: merasip.com/guides/unified-pension-scheme. To talk it through, WhatsApp 60039 03737.

Sources: The Tribune; All India Radio News; Vajiram & Ravi current affairs.

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