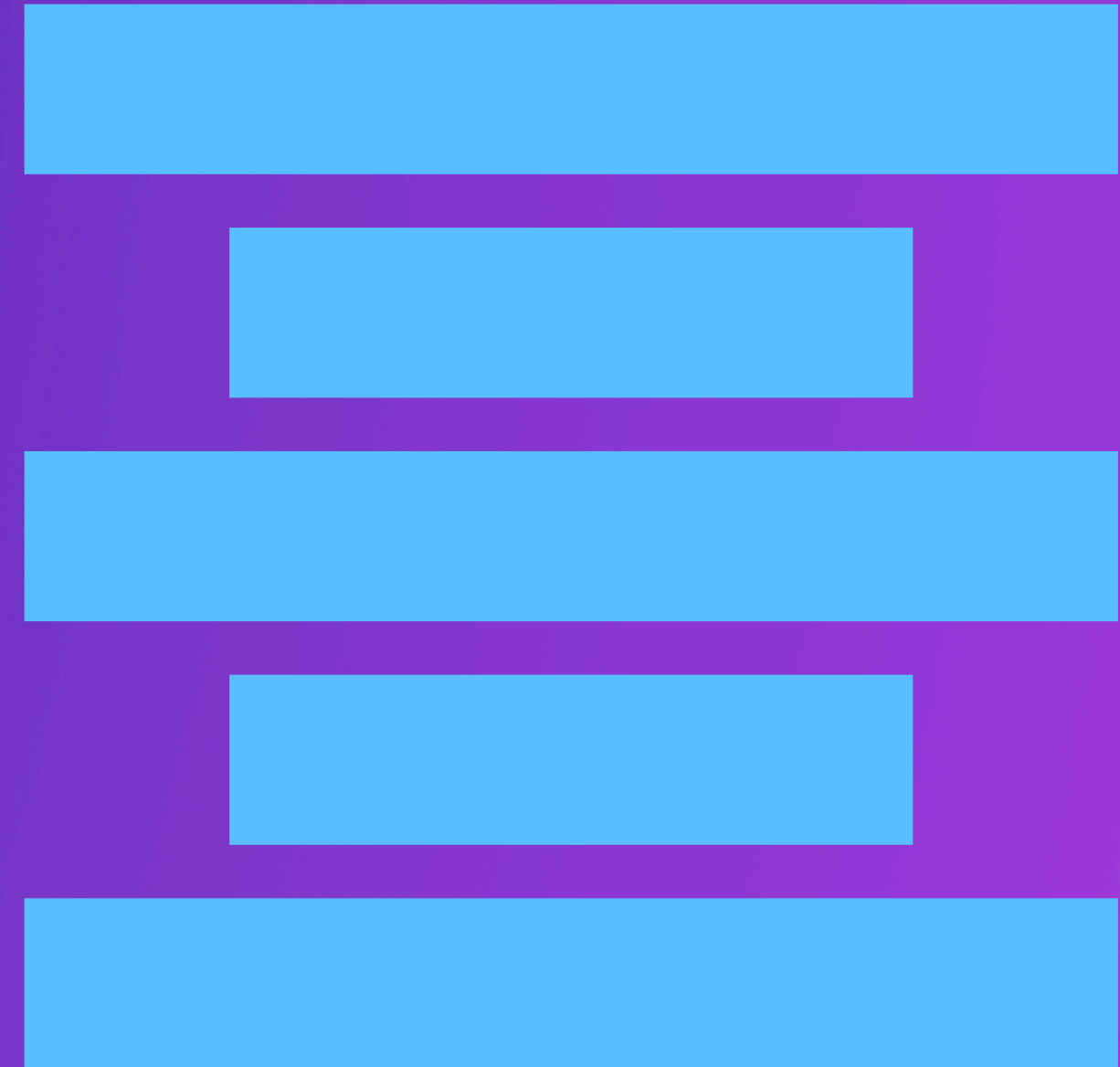


# CCS(Implementaion of the UPS under the NPS) Rules,2025

*THE BASIC PRINCIPLES*





# WHO CAN OPT?

## CENTRAL GOVERNMENT EMPLOYEES COVERED UNDER NPS

- » The employees who retired under NPS.
- » Existing employees covered under NPS.
- » New entrants to Central Government Service.

01

# 02

## Who pays how much ?

### INDIVIDUAL CORPUS

- » Employee pays 10% of Basic Pay + DA
- » Government contributes 10% of Basic Pay + DA
- » NPS corpus of existing subscribers shall be transferred to their UPS Accounts

### POOL CORPUS

- » Government pays additional 8.5% of BP + DA

# 03

## Conditions of grant of Assured Payout (AP)?

### ***ASSURED PAYOUT SHALL BE AVAILABLE IN FOLLOWING CASES :-***

- » Employee superannuating after qualifying service of ten years, from the date of superannuation;
- » Government retiring an employee under FR56(j) (not as a penalty), from the date of such retirement; and
- » Voluntary retirement after a minimum qualifying service period of 25 years, full AP from the date such employee would have superannuated.
- » VRS after 20 years shall be granted pro-rata AP.



# Benefits on exit

## A) EMPLOYEE EXIT ON SUPERANNUATION where Individual Corpus = Benchmark Corpus

### (i) TO SUBSCRIBERS

- 1.a) Assured payout: 50% of the average basic pay drawn over the last 12 months prior to superannuation for a minimum qualifying service of 25 years.
- b) Assured minimum payout: @10000 Rs per month on superannuation for subscriber with minimum 10 years of services.
- c) Prorata Assured payout for exit with qualifying service between 10 to 25 years.
2. Dearness relief on assured payout.
3. Admissable Gratuity as per (CCS Payment of Gratuity under NPS) rules, 2021.

Cont...

# 05

4. In addition to Gratuity, a Lump sum payment at superannuation amounting to 1/10 of BP+DA for every completed six months of qualifying service.

5. Subscriber may withdraw upto 60% of his IC or BC on superannuation, Assured payout shall be reduced in such percentage.

## **(ii). FOR LEGALLY WEDDED SPOUSE AFTER DEATH OF SUBSCRIBER**

- 1) Assured family payout: @60% of admissible assured payout to subscriber.
- 2) Dearness relief on family payout.
- 3) Gratuity and Lumpsum payment of 1/10 of BP+DA for every completed six months of service, if not paid to subscriber.

Cont...

# 06

## **B) EMPLOYEE EXIT WHERE Individual Corpus $\neq$ Benchmark Corpus**

- a.) If individual corpus is less than BC, the Assured payout/ family payout shall be prorata in the ratio of IC/ BC.
- b.) If individual corpus is more than BC, the full Assured payout/ Family payout shall be available along with return of excess of IC than the BC to the subscriber/ legally wedded spouse.
- c.) Other benefits like Dearness relief, Gratuity and Lumpsum payment of 1/10 of BP+DA for every completed six months of qualifying service will be admissable based on fulfilling stipulated conditions.
- d.) Subscriber may withdraw upto 60% of his IC or BC whichever is less on superannuation, Assured payout shall be reduced in such percentage.

# 07

## Assured Payout not admissible in cases of

- ✓ Resignation from service
- ✓ Dismissal from service
- ✓ Removal from service
- ✓ Pending judicial or departmental proceedings
- ✓ In case of retirement with less than 10 years service
- ✓ In these cases, lumpsum benefits (total accumulated corpus under UPS PRAN) would be admissible



# 08

## 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.

# 09



## Principle of taxation?

### HOW IS THE PAYOUT TAXED

- » Contribution by Government is tax free
- » Employee contribution is eligible for tax rebate
- » Assured payout taxable as per Income Tax rules
- » Lump sum (1/10 of BP+DA for each 6 monthly period) withdrawal, partial withdrawal, additional payment etc., are tax free



# What about gratuity?

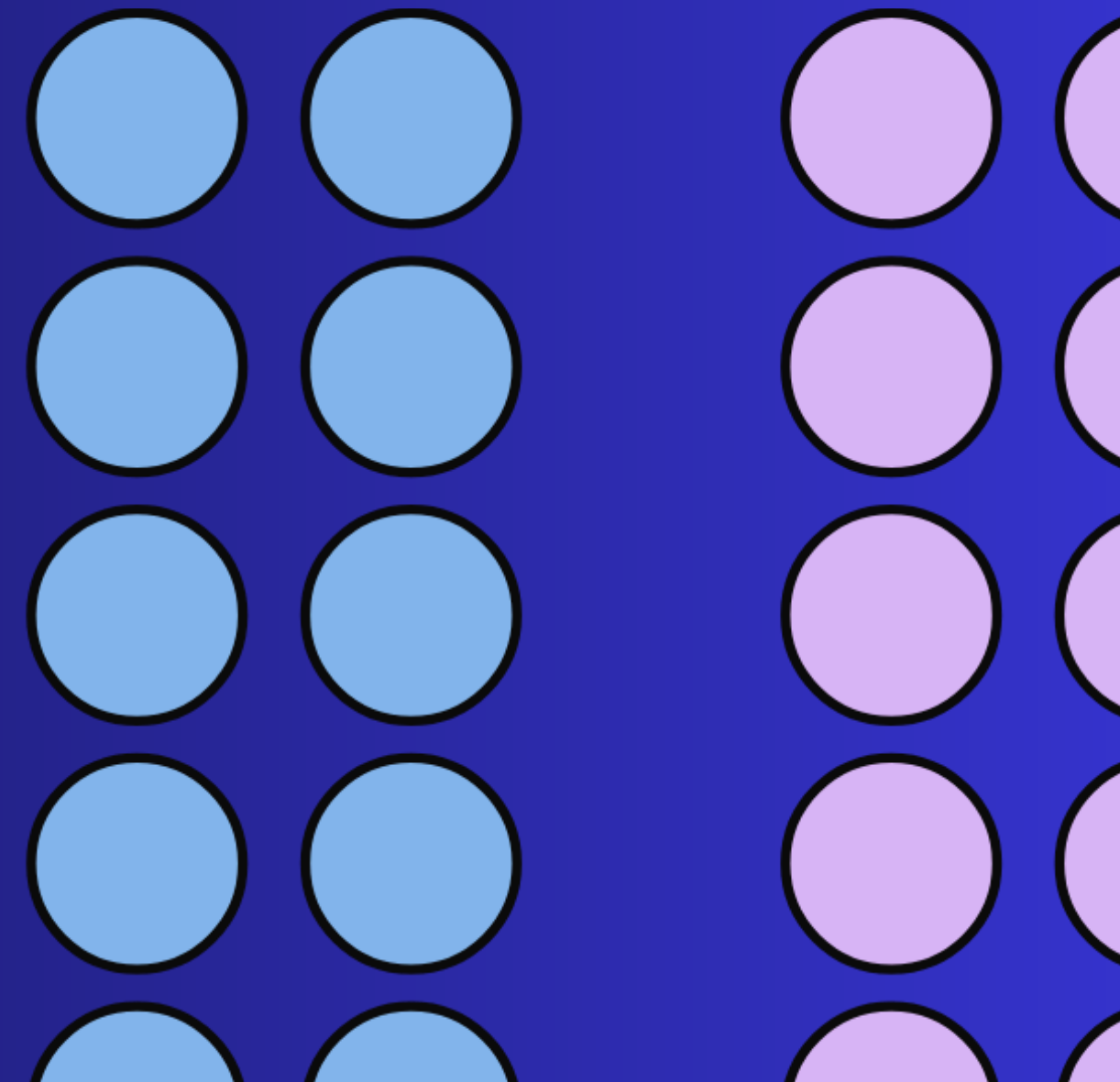
## SIMILAR TO NPS

- » Gratuity is payable 1/4th of Basic Pay +DA for every 6 months of completed service  
or  
16 ½ of Basic pay + DA (Maximum Limit)
- » Minimum 5 years qualifying service required
- » Maximum Gratuity Rs 25 lakhs
- » The benefit of death gratuity to the family members is also available
- » In addition, employee would be granted lumpsum benefits based on his qualifying service. For each six-month period, 10% of his BP and DA. These are additional benefits as compared to NPS.

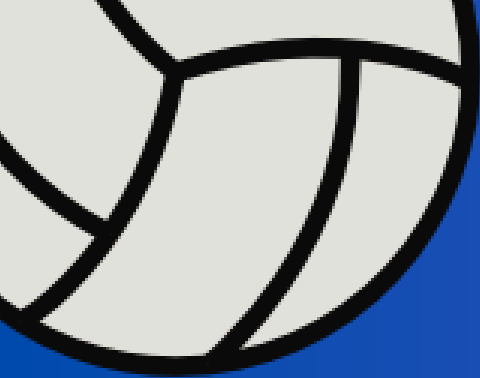
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## What happens on Death/Invalidation of a UPS subscriber?

- Option for Government employee to choose benefits under OPS or UPS on death or discharge on medical ground during service .
- In case of OPS, on death eligible family member gets family pension @ 50% of Basic pay for 10 years and thereafter @ 30%.
- In case of UPS - 60% of Assured family payout from the date of death of subscriber to the legally wedded spouse subject to Individual corpus = Benchmark corpus else proportionate reduction in the Assured Payout payable. Along with other benefits as applicable.



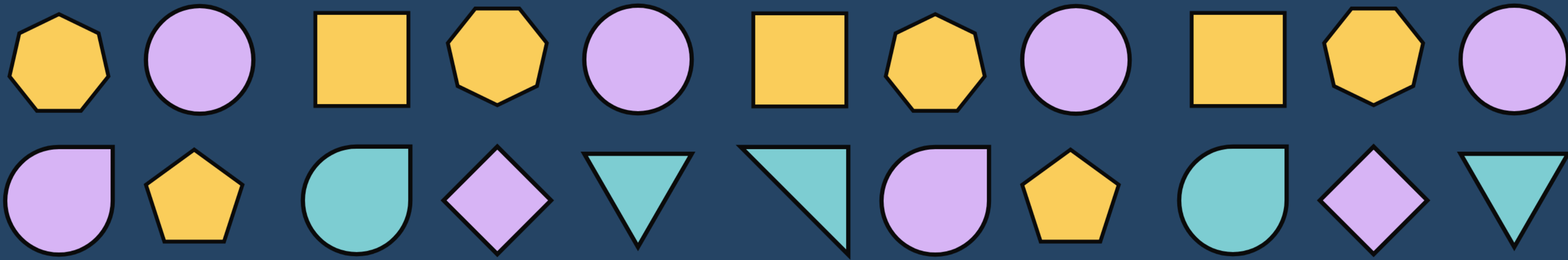




# 12

## Treatment in cases of Compulsory retirement as a penalty?

- » 2/3<sup>rd</sup> to full admissible Assured payout.
- » Maximum 1/3<sup>rd</sup> can be reduced as penalty on compulsory retirement from service.
- » Similar effect can be on gratuity.



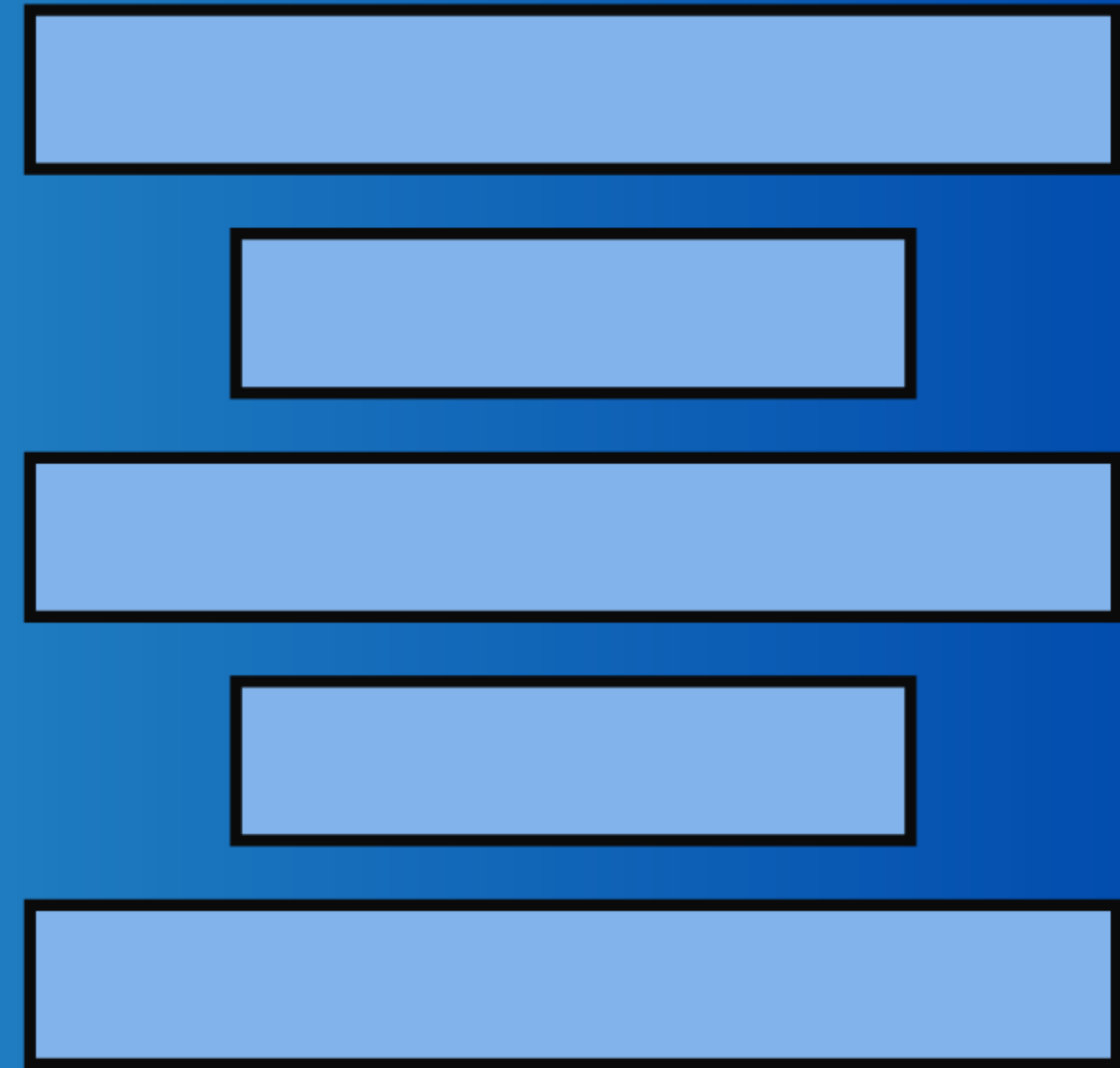
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## Treatment in cases of Removal/ Dismissal from service?

- » No Assured payout
- » Accumulated individual corpus to be refunded in lumpsum
- » There will be effect on Gratuity, as per (CCS Payment of Gratuity under NPS ) rules, 2021.

**Option of UPS to be exercised by  
30-09-2025.**

# SWITCH FACILITY IN UPS







# WHAT IS SWITCH FACILITY?

- » Central Government employees covered under NPS may opt for UPS by 30.09.2025 and new entrants within 30 days of joining service.
- » During the service, these UPS-covered employees will have a one-time option to switch from UPS to NPS, subject to the specified timelines.

01



# When can the Switch facility be exercised ?

- The option can be exercised by UPS subscribers not later than 12 months prior to the date of superannuation.
- In case of VRS, 3 months prior to the deemed date of retirement.
- If the option is not exercised as per these timelines, the employee shall continue under UPS by default.

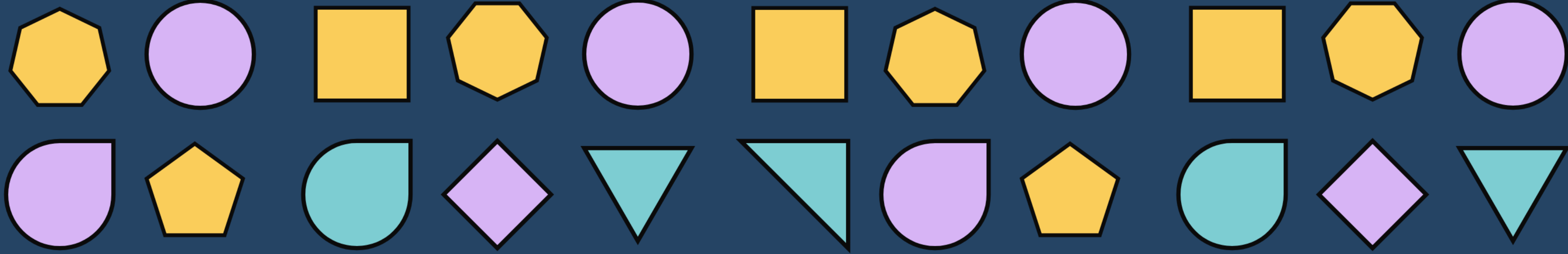
02

# 03

## Switch facility not available in cases of:-

- Removal from service
- Dismissal from service
- Compulsory retirement from service as penalty.
- Cases where disciplinary proceeding are ongoing or contemplated.





# 04

## Effect of availing Switch facility ?

- » Concerned employees cease to be eligible for AP and other UPS benefits.
- » The government's differential contribution of 4% (i.e 14 % in NPS *minus* 10% in UPS) at the default investment pattern to be credited to the individual NPS corpus at the time of exit.
- » Benefits as per PFRDA (Exit and Withdrawal under NPS) regulation, 2015, shall be admissible.





# FEW MORE CLARIFICATION



## FAQs



**What benefits are available in case of VRS on completion of twenty years of service?**

Under UPS, VRS with an assured full payout requires a minimum of 25 years of qualifying service. However, for voluntary retirement on completion of 20 years of regular service by serving a 3-month notice period, assured payout shall be admissible on a pro-rata basis. However, the Assured payout will start from the deemed date of superannuation.



# FOR EXAMPLE ASSURED PAYOUT

**After**

20 years of Service

**80%**

21 years of Service

**84%**

22 years of Service

**88%**

23 years of Service

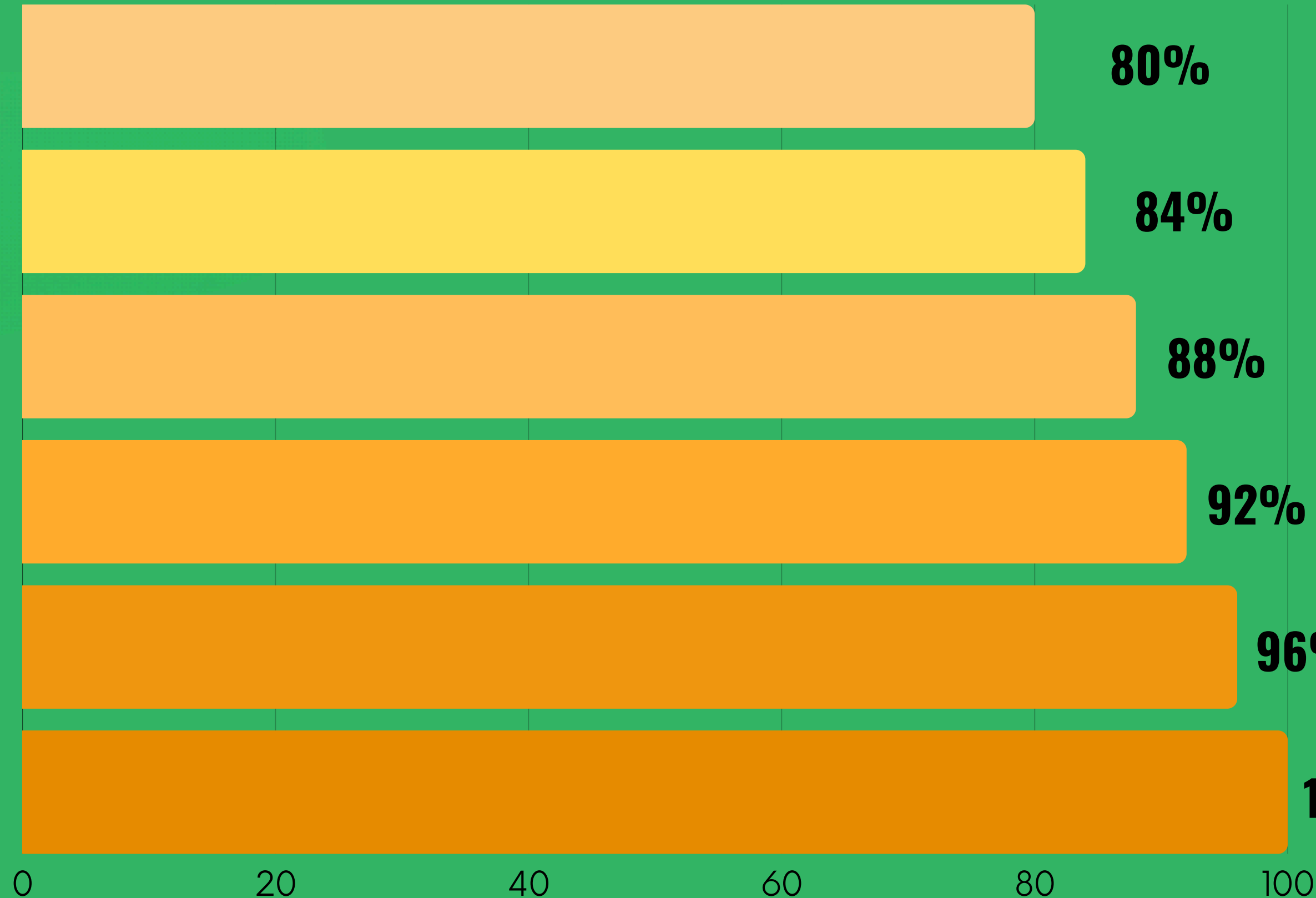
**92%**

24 years of Service

**96%**

25 years of Service

**100%**





## FAQs



Where an employee has taken a VRS with deferred assured payout which commences from his deemed date of superannuation and subsequently dies before commencement of his payout, what benefits are available to the spouse of such deceased subscriber?

In case a subscriber who has taken VRS dies before the commencement of payout

- a.) The legally wedded spouse shall be eligible to receive the family payout at 60% of the payout receivable to the subscriber immediately from the date of demise of the subscriber along with the applicable dearness relief.
- b.) The legally wedded spouse shall also have an option of withdrawing maximum upto 60% of Individual Corpus or Benchmark Corpus whichever is lower subject to perportionate reduction in the Assured Payout payable, if not already avail by subscriber.
- c.) The Gratuity and Lumpsum withdrawl ( $1/10^{\text{th}}$  of BP+DA for every 6 month period, if not paid to subscriber.





## FAQs



**Whether Minimum pension of Rs. 10000/- is guaranteed to spouse under UPS?**

The family payout shall be 60% of the assured payout to the legally wedded spouse as of the date of superannuation.

The minimum family payout is Rs 6000/- PM along with the applicable dearness relief, subject to the condition that Individual Corpus is equal to Benchmark Corpus.







## FAQs



*In case of in-service death of the subscriber and legally wedded spouse, what is the provision for pay out for dependent/ disabled children in UPS?*

*In such scenarios, it will be decided based on the choice opted by the subscriber.*

*If the subscriber has opted for benefits under OPS in case of in-service death, benefits under CCS (Pension) rules, 2021 shall be admissible to eligible family members. Otherwise, the benefites will be admissible in accordance with PFRDA (Operationalisation of Unified Pension Scheme Under National Pension System) Regulations, 2025.*







## FAQs



**What will happen in case a subscriber has taken VRS and both the subscriber and the legally wedded spouse dies before attaining the age of superannuation?**

If a government servant dies after VRS, the family payout will be paid to the legally wedded spouse from the date of death of the subscriber.

However, on the death of both the subscriber and legally wedded spouse, there is no provision of FP to any other family members. The accumulated corpus in the subscribers PRAN linked with UPS will be dealt as per PFRDA (Operationalisation of Unified Pension Scheme Under National Pension System) Regulations, 2025.

