



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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6th Conference Slogan- Pension Updation is Right of Bank Retirees

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The Office Bearers/ Central Committee Members/ State Committee Chiefs
A.I.B.R.F

Dear Sir,

Re Introduction of Unified Pension Scheme for Central Government Pensioners

Government of India has announced new pension scheme for Central Government Pensioners known as **Unified Pension Scheme (UPS)**. It will be effective from 1.04.2025 with option to existing employees/ pensioners covered under NPS to join UPS.

With the introduction of UPS, three pension schemes will be in operation for central government employees/ pensioners.

- (a) **Old Pension Scheme: (OPS)** It is available to those who joined central government services before 1.04.2004. Under this scheme, employee is not required to contribute towards pension fund and pension benefits are guaranteed and defined.
- (b) **New Pension Scheme (NPS):** The employee is required to contribute 10 per cent of pay in pension fund and government presently contribute 18.5 per cent in the fund. **Pension benefits are determined based on performance of investment.** It is applicable to those who joined the service from 1.04.2004 onwards.

(c) **Unified Pension Scheme (UPS):** In this scheme minimum pension is guaranteed for pensioner and family pensioner. However, employee will have to continue to contribute 10 per cent towards pension fund which is not requirement in case of OPS.

Main Features of UPS are as under:

- (a) Minimum Guaranteed Pension under the scheme will be 50 per cent of 12 months average basic pay drawn plus DR announced from time to time
- (b) Family pension to be fixed will be 60 per cent of last pension drawn by the pensioner before death plus DR.
- (c) Eligibility to get 50 per cent pension will be subject to completion of 25 years' service. In case of less period of service pension fixed will be proportionate.
- (d) Minimum pension of Rs. 10000/- will be payable on completion of 10 years' service.
- (e) Existing pensioners/ employees will have option to shift to UPS and will be eligible for arrears.

3. Introduction of UPS is step towards meeting object of social welfare and social security in post-retirement life. Minimum pension guarantee will give financial stability to pensioners irrespective of performance of pension funds. The improvement in the scheme could be achieved because of popular demand from government employees and retiree organizations working for it. UPS is definitely improvement compared to NPS but not comparable with OPS. We have to wait to see that how retiree organizations in government sectors react to this development.

4. This development has given new confidence to bank retirees that through organizational efforts long pending demand of Updation could be achieved. UFBRO/ AIBRF will escalate its organizational efforts to achieve demand of Updation at the earliest.

Yours Sincerely,

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(S. C. JAIN)
GENERAL SECRETARY