

Ministry of Finance
Department of Expenditure
LOK SABHA
UNSTARRED QUESTION NO.1156
TO BE ANSWERED ON 11th DECEMBER, 2023/ AGRAHAYANA 20, 1945 (SAKA)

DEMAND FOR RESTORATION OF OPS BY
GOVERNMENT EMPLOYEES' ASSOCIATION

QUESTION

1156. SHRI A. GANESHAMURTHI:
SHRI A. RAJA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government Employees Associations have been demanding restoration of Old Pension Scheme based on last drawn basic salary instead of contributory pension scheme, if so, the details thereof and the response of the Government thereto;
- (b) whether some States Governments have also restored OPS for their employees, if so, the details thereof; and
- (c) whether the Government is not in favour of restoring OPS to its employees and retired employees, if so, the details thereof and the reasons therefor?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (c) Representations have been received from time to time which include the request for restoration of Old Pension Scheme. The National Pension System (NPS) was introduced by the Government of India vide notification dated 22.12.2003. Since then Government of India has taken a number of steps for streamlining NPS for Central Government employees and to protect the interest of the subscribers. These include enhancement of Government's contribution from the earlier 10% of Pay + DA to 14% of Pay + DA, freedom of choice for selection of Pension Funds and pattern of investment to subscribers, payment of compensation for non-deposit or delayed deposit of NPS contributions for any period during 2004-2012, tax exemption under section 80C of the Income Tax Act, 1961 and increase in tax exemption limit for lump sum withdrawal on exit from earlier 40% to 60% of the amount due, making the entire withdrawal exempt from income tax. There is no proposal under

consideration of Government of India for restoration of Old Pension scheme in respect of Central Government employees recruited on or after 01.01.2004. A Committee has been set up under the chairmanship of Finance Secretary to look into the issue of Pensions under National Pension System in respect of Government employees and to, inter alia, examine whether in the light of the existing framework and structure of the National Pension system, as applicable to Government employees, any changes therein are warranted.

(b) The State Governments of Rajasthan, Chhattisgarh, Jharkhand, Punjab and Himachal Pradesh have informed the Central Government/PFRDA about their decision to revert to Old Pension Scheme (OPS) for their State Government employees. However, the Government of Punjab has also informed the Government of India that it continues to pay staff and Government contributions to the NPS.
