No. - 57/03/2022-P&PW(B)/8361(10)
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Pension and Pensioners' Welfare
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Lok Nayak Bhavan, Khan Market,
New Delhi, Dated the 29th October, 2025

OFFICE MEMORANDUM

Subject: Effect of departmental or judicial proceedings pending on retirement on the Assured Payout in respect of Central Government employee opted for Unified Pension Scheme under the National Pension System -reg.

The undersigned is directed to say that Department of Pension and Pensioners' Welfare has notified the Central Civil Services (Implementation of Unified Pension Scheme under the National Pension System) Rules, 2025 to govern the service related matters of Central Government civil employees covered under the Unified Pension Scheme (UPS).

(2). Rule 22 of these rules provides for effect of departmental or judicial proceedings pending on retirement of Government service on the Assured payout in respect of Central Government Civil employees opted for UPS under NPS. The rule provides that where departmental or judicial proceedings, which were instituted while the subscriber was in service but are not concluded before retirement, such government servant on retirement from service on attaining the age of superannuation, shall be entitled to the accumulated pension wealth in the individual corpus under the Unified Pension Scheme, to be paid in lump sum in accordance with the Pension Fund Regulatory and Development Authority (Operationalisation of UPS under NPS) Regulations, 2025 and shall not be paid any assured payout arising out of the individual corpus under the Unified Pension Scheme.

(3). However, the departmental proceedings instituted under rule 16 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965, while the government servant was in service and continued after retirement, or the judicial proceedings instituted after retirement of the subscriber, shall not affect the assured payout arising out of the individual corpus under the Unified Pension Scheme payable to the subscriber in accordance with the PFRDA (Operationalisation of UPS under NPS) Regulations, 2025.

(4). The departmental proceedings not concluded before retirement of Government servant shall after the retirement of the government servant, be deemed to be proceedings under rule 5 of the Central Civil Services (Payment of Gratuity under National Pension System) Rules, 2021 and shall be continued and concluded by the authority by which they were initiated in the same manner as if the government servant had continued in service.

(5) (a). On conclusion of departmental or judicial proceedings, where the government servant is fully exonerated from all charges, the government servant shall have an option for availing assured payout under the Unified Pension Scheme based on the notional value of his individual corpus and benchmark corpus at the time of retirement in accordance with the PFRDA (Operationalisation of UPS under NPS) Regulations, 2025. On exercise of option for assured payout, the government servant shall deposit the value of benchmark corpus or part thereof, not less than forty per cent. of the benchmark corpus, calculated notionally at the time of his

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retirement, along with applicable rate of interest and manner as in the case of Public Provident Fund deposits from time to time. The admissible assured payout shall be payable from the date of his retirement. Arrears of assured payout shall be paid to the subscriber along with interest at the rate of interest and manner as in the case of Public Provident Fund deposits from time to time.

(b) On the death of government servant during the pendency of the departmental or judicial proceedings after his retirement, the legally married spouse of the government servant at the time of retirement shall have an option for availing assured payout under the Unified Pension Scheme based on the notional value of individual corpus and benchmark corpus of the subscriber at the time of retirement in accordance with the PFRDA (Operationalisation of UPS under NPS) Regulations, 2025.

(c) On exercise of option for assured payout, spouse shall deposit the value of benchmark corpus or part thereof, not less than forty per cent. of the benchmark corpus, calculated notionally at the time of his retirement, along with applicable rate of interest and manner as in the case of Public Provident Fund deposits from time to time. The admissible assured payout shall be payable from the date of retirement of subscriber. Arrears of admissible assured payout payable to the subscriber and the spouse as per the Pension Fund Regulatory and Development Authority (Operationalisation of Unified Pension Scheme under the National Pension System) Regulations, 2025, shall be paid to the legally wedded spouse along with interest at the rate of interest and manner as in the case of Public Provident Fund deposits from time to time.

(d) In case, a government servant dies after retirement without receiving the accumulated pension wealth in individual corpus admissible under Unified Pension scheme or the arrears of assured payout due to him, or the legally married spouse of the subscriber dies before receiving the arrears of assured payout or family payout under Unified Pension Scheme, the accumulated pension wealth or the arrears of assured payout shall be disbursed to the legal heir (s) of the subscriber.

(6). The provision under sub-rule (1) shall be without prejudice to any action being taken in such cases in respect of gratuity and other retirement benefits not covered by these rules and those benefits shall be regulated in accordance with the rules as applicable to such benefits.

(7). All Ministries/Departments are requested that the above provisions regarding effect of pending disciplinary or judicial proceedings at the time of retirement of Government servant on the Assured payout in respect of Central Government Civil employees opted for UPS under the NPS may be brought to the notice of the personnel dealing with the UPS/NPS matters of employees in the Ministry/Department and attached/subordinate offices thereunder, for strict implementation.

(S. Chakrabarti)
Under Secretary to the Government of India

To

All Ministries/Departments/Organisations,
(As per standard list)