

Ministry of Finance



Tax benefits available under NPS shall apply mutatis mutandis to UPS

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The Department of Financial Services, Ministry of Finance vide its Notification No. FS-1/3/2023-PR dated 24.01.2025 had notified introduction of the Unified Pension Scheme (UPS) as an option under NPS for the recruits to the Central Government civil service w.e.f. 01.04.2025 giving one-time option to the Central Government employees covered under the National Pension System (NPS) for inclusion under the UPS.

To operationalise this framework, the Pension Fund Regulatory and Development Authority (PFRDA) notified the PFRDA (Operationalisation of the Unified Pension Scheme under NPS) Regulations, 2025 on 19th March 2025.

In a bid to provide further impetus to the UPS, the Government has decided that tax benefits as available under NPS shall apply mutatis mutandis to UPS as it is an option under NPS.

These provisions ensure parity with the existing NPS structure and provide substantial tax relief and incentives to employees opting for the Unified Pension Scheme.

Government's Commitment to Pension Reform

The inclusion of UPS under the tax framework marks another step forward in the Government's effort to strengthen retirement security for Central Government employees through transparent, flexible and tax-efficient options.

NB/AD

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