No. - 57/03/2022-P&PW(B)/8361(4)
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: Entitlement on absorption in or under a corporation, company or body 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 16 of these rules provides for entitlement on absorption in or under a corporation, company or body (autonomous or statutory) in respect of a Central Government servant covered opted for Unified Pension Scheme (UPS) under the National Pension System (NPS). The rule provides that a subscriber opted for Unified Pension Scheme who has been permitted to be absorbed in a service or post in or under a corporation or company wholly or substantially owned or controlled by the Central Government or a State Government or in or under a body controlled or financed by the Central Government or a State Government, shall be deemed to have retired from service from the date of such absorption. Where the subscriber is deemed retired before completion of qualifying service of ten years on such absorption, in such cases, the accumulated pension wealth in the individual corpus under the UPS shall be payable to the subscriber in lump sum in accordance with the regulations as notified by the Authority.

(3). However, where the subscriber is deemed retired on or after completion of qualifying service of ten years on such absorption, the subscriber shall be entitled to assured payout admissible under the Pension Fund Regulatory and Development Authority (Operationalisation of Unified Pension Scheme under the National Pension System) Regulations, 2025, as in case of superannuation.

(4) (a). In case a subscriber is deemed to be absorbed consequent upon conversion of a Central Government department into a public sector undertaking or an autonomous body controlled or financed by the Central Government, the subscriber shall have the following option, namely :-

(i) seek retirement based on the qualifying service in the Central Government prior to such conversion, and avail the benefits under Unified Pension Scheme as in case of superannuation, provided the length of qualifying service is ten years or more;

contd-

(ii) continue to serve in the public sector undertaking or the autonomous body and avail the benefit of Unified Pension Scheme on the basis of combined qualifying service.

(b) In respect of the subscribers who have opted to continue to serve in public sector undertaking or the autonomous body based on the combined qualifying service, the necessary arrangement for payment of UPS benefits shall be as per the mechanism specified by the Central Government in this behalf.

(5). All Ministries/Departments are requested that the above provisions regarding entitlement on absorption in or under a corporation, company or body in respect of a Central Government employee opted for UPS under 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)