

F. No. FX-11/16/2025-PR
Government of India
Ministry of Finance
Department of Financial Services
(Pension Reforms Section)



JS/R/A)

2nd Floor, Jeevan Deep Building
Parliament Street, New Delhi
Dated the 04th July, 2025

OFFICE MEMORANDUM

Sub: Tax Treatment under Unified Pension Scheme-reg.

The undersigned is directed to invite reference to this Department's Gazette notification dated 24th January, 2025 regarding introduction of Unified Pension Scheme (UPS) as an option under National Pension System (NPS).

2. Department of Revenue (DoR), vide their O.M. No. 178/4/2025-ITA-I dated 02.07.2025, has intimated that the provisions of Sections 80CCD(1), 80CCD(1B), 80CCD(2), 80CCD(3), 80CCD(4), 10(12A) and 10(12B) of the Income Tax Act, 1961 are applicable mutatis-mutandis to UPS, subject to the limits prescribed therein. A copy of the said O.M. is attached herewith.

3. It is requested that the aforesaid O.M. may be circulated among all the existing employees, past retirees and spouses of the deceased retirees.

4. This issues with the approval of Competent authority.

Encl.: As above

(Signature)
04/07/2025

(Harkesh Chander)
Under Secretary to the Government of India
Tele no. 2374 8760

(Signature)

(Signature)

H. circulate.

SO/Adm
W
7/7

All Secretaries to the Government of India
(as per Standard List)

SH AR
7/7

F.No. 178/4/2025-ITA-1
 Government of India
 Ministry of Finance
 Department of Revenue
 Central Board of Direct Taxes
 (ITA-I Division)

New Delhi, the 2nd July, 2025**OFFICE MEMORANDUM****Sub: Tax treatment under Unified Pension Scheme - reg.**

Kindly refer to your OM F.No. FX-11/16/2025-PR dated 17.06.2025 received in this office by email from TPL Division, CBDT vide OM F.No. 370149/84/2025-TPL dated 25.06.2025.

2. In this regard, it is stated that your Department Gazette issued notification dated 24th January, 2025 regarding introduction of Unified Pension Scheme (UPS) as an option under National Pension System (NPS). Further, it has been stated in your OM dated 17.06.2025 that UPS has been introduced as an option under NPS, vide notification dated 24.01.2025, for such central government employees covered under NPS through an amendment to the said notification dated 22.12.2003. The UPS is to be managed within the existing institutional NPS architecture regulated by PFRDA.

3. Further, vide your OM dated 17.06.2025 it was requested to issue concurrence on the following:

"The provisions of Section 80CCD (1), 80CCD (1B), 80CCD (2), 80CCD (3), 80CCD (4), 10(12A) and 10(12B) of the Income Tax Act, 1961, would be applicable mutatis-mutandis on Unified Pension Scheme (UPS) as it is an option under National Pension System (NPS)"

4. With reference to the above it is concurred that the provisions of Section 80CCD (1), 80CCD (1B), 80CCD(2), 80CCD(3), 80CCD(4), 10(12A) and 10(12B) of the Income Tax Act, 1961 would be applicable mutatis-mutandis to Unified Pension Scheme (UPS) to the extent of limits as provided in the aforementioned Sections. Any diversion regarding payout/contributions shall require legislative amendment.

5. This issues with the approval of Member (IT), CBDT.

(Hardev Singh)
 DCIT(OSD) (ITA-1)
 Email ID : usital-cbdt@gov.in

To,
 Director,
 Department of Financial Services
 (Pension Reforms Section)
 New Delhi

To:-

- 1) Ministry of Agriculture and Farmers Welfare, Department of Agricultural Research and Education (DARE)
- 2) Ministry of Agriculture and Farmers Welfare, Department of Agriculture and Farmers Welfare
- 3) Ministry of Ayush
- 4) Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals
- 5) Ministry of Chemicals and Fertilizers, Department of Fertilizers
- 6) Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals
- 7) Ministry of Civil Aviation
- 8) Ministry of Coal
- 9) Ministry of Commerce and Industry, Department of Commerce
- 10) Ministry of Commerce and Industry, Department of Promotion of Industry and Internal Trade
- 11) Ministry of Communications, Department of Posts
- 12) Ministry of Communications, Department of Telecommunications (DOT)
- 13) Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs
- 14) Ministry of Consumer Affairs, Food and Public Distribution, Department of Food and Public Distribution
- 15) Ministry of Cooperation
- 16) Ministry of Corporate Affairs
- 17) Ministry of Culture
- 18) Ministry of Defence, Department of Defence
- 19) Ministry of Defence, Department of Defence Production
- 20) Ministry of Defence, Department of Defence Research & Development
- 21) Ministry of Defence, Department of Ex-Servicemen Welfare
- 22) Ministry of Defence, Department of Military Affairs
- 23) Ministry of Development of North Eastern Region
- 24) Ministry of Earth Sciences
- 25) Ministry of Education, Department of Higher Education
- 26) Ministry of Education, Department of School Education and Literacy
- 27) Ministry of Electronics and Information Technology
- 28) Ministry of Environment, Forest and Climate Change
- 29) Ministry of External Affairs
- 30) Ministry of Finance, Department of Economic Affairs
- 31) Ministry of Finance, Department of Expenditure
- 32) Ministry of Finance, Department of Investment and Public Asset Management
- 33) Ministry of Finance, Department of Revenue
- 34) Ministry of Fisheries, Animal Husbandry & Dairying, Department of Animal Husbandry and Dairying
- 35) Ministry of Fisheries, Animal Husbandry & Dairying, Department of Fisheries
- 36) Ministry of Food Processing Industries
- 37) Ministry of Health and Family Welfare, Department of Health and Family Welfare
- 38) Ministry of Health and Family Welfare, Department of Health Research
- 39) Ministry of Heavy Industries
- 40) Ministry of Home Affairs, Department of Border Management
- 41) Ministry of Home Affairs, Department of Home
- 42) Ministry of Home Affairs, Department of Official Language
- 43) Ministry of Housing and Urban Affairs
- 44) Ministry of Information and Broadcasting
- 45) Ministry of Jal Shakti, Department of Drinking water and Sanitation

- 46) Ministry of Jal Shakti, Department of Water Resources, River Development and Ganga Rejuvenation
- 47) Ministry of Labour and Employment
- 48) Ministry of Law and Justice, Department of Justice
- 49) Ministry of Law and Justice, Department of Legal Affairs
- 50) Ministry of Law and Justice, Legislative Department
- 51) Ministry of Micro, Small and Medium Enterprises
- 52) Ministry of Mines
- 53) Ministry of Minority Affairs
- 54) Ministry of New and Renewable Energy
- 55) Ministry of Panchayati Raj
- 56) Ministry of Parliamentary Affairs
- 57) Ministry of Personnel, Public Grievances and Pensions, Department of Administrative Reforms and Public Grievances (DARPG)
- 58) Ministry of Personnel, Public Grievances and Pensions, Department of Pension & Pensioner's Welfare
- 59) Ministry of Personnel, Public Grievances and Pensions, Department of Personnel and Training
- 60) Ministry of Petroleum and Natural Gas
- 61) Ministry of Planning
- 62) Ministry of Ports, Shipping and Waterways
- 63) Ministry of Power
- 64) Ministry of Railways
- 65) Ministry of Road Transport and Highways
- 66) Ministry of Rural Development, Department of Land Resources (DLR)
- 67) Ministry of Rural Development, Department of Rural Development (DRD)
- 68) Ministry of Science and Technology, Department of Bio Technology
- 69) Ministry of Science and Technology, Department of Science and Technology (DST)
- 70) Ministry of Science and Technology, Department of Scientific and Industrial Research (DSIR)
- 71) Ministry of Skill Development and Entrepreneurship
- 72) Ministry of Social Justice and Empowerment, Department of Empowerment of Persons with Disabilities
- 73) Ministry of Social Justice and Empowerment, Department of Social Justice and Empowerment
- 74) Ministry of Statistics and Programme Implementation
- 75) Ministry of Steel
- 76) Ministry of Textiles
- 77) Ministry of Tourism
- 78) Ministry of Tribal Affairs
- 79) Ministry of Women and Child Development
- 80) Ministry of Youth Affairs and Sports, Department of Sports
- 81) Ministry of Youth Affairs and Sports, Department of Youth Affairs
- 82) Department of Atomic Energy
- 83) Department of Space
- 84) NITI Aayog
- 85) Cabinet Secretariat
- 86) President's Secretariat
- 87) Prime Minister's Office
- 88) Election Commission of India
- 89) Union Public Service Commission