



PRESS INFORMATION BUREAU
(Research Unit)
Ministry of Information and Broadcasting
Government of India



ONE RANK ONE PENSION

Ministry of Defence

“For 4 decades, the issue of One Rank One Pension has been left unaddressed. Men who give their lives to the nation have been asking for OROP, and there is nothing more important than maintaining the dignity of these men.”

- Prime Minister Narendra Modi

Introduction

On 5th September, 2015, Hon'ble Prime Minister Narendra Modi announced a historic decision – the implementation of One Rank One Pension. A decision which was delayed for nearly four decades was finally passed to protect the rights of the armed forces. The One Rank One Pension scheme is aimed at ensuring uniform pensions for veterans retiring in the same rank with the same length of service irrespective of when they retire. The Government of India took the historic decision of implementing 'One Rank One Pension' despite the massive financial implications, demonstrating its commitment to the welfare of ex-servicemen.

What is OROP?

One Rank, One Pension means same pension for same work and same length of service irrespective of the date of retirement. For example, a General who retired in the year 1980 will be receiving the same pension as a General who retired in the year 2015. This implies bridging the gap between the rate of pension of current and past pensioners at periodic intervals.



Background

There was a demand for pay and pension equity which had certain features of one rank, one pension reform. Back in 1986, the Third Pension Commission which was established by the former Prime Minister Rajeev Gandhi, decided to implement the Rank Pay. This in turn decreased the basic pay of Captain, Majors, Lt-Colonel, Colonels, and Brigadiers, and same rank officers in the Indian Air Force and the Indian Navy, relative to the basic pay scales of civilian and police officers. The decision to reduce the basic pay scale of the officers holding these ranks was taken without giving any say to the Armed Forces and this created asymmetries between police and military ranks which affected the pay and pension of ten thousand officers and veterans.

The ‘One Rank One Pension’ had been considered in the past by various committees and bodies and was generally not found acceptable.

(a) K.P. Singh Dev Committee (1984): The Committee recommended that the Government should consider the issue of ‘One Rank One Pension’ particularly in the light of the principle which has been already established with respect to the pension of judges of the Supreme Court and the High Courts.

(b) 4th Central Pay Commission: The Commission observed that it is difficult to accept the suggestion for equalization of pension. Moreover, this would involve considerable administrative and accounting work without conferring any uniform benefits to various categories of pensioners.

(c) Sharad Pawar Committee (1991): No specific recommendation on the issue of ‘One Rank One Pension’ was given by the Committee.

(d) 5th Central Pay Commission: The Commission did not recommend grant of 'One Rank One Pension' by stating that every Pay Commission gives certain benefits in pay which are over and above the impact of inflation, either due to upgradation of recruitment qualifications or change in job contents. The benefits accorded on this account need not necessarily be passed on to the pensioners.

(e) RM's Committee Report (June, 2003): The RM's Committee left the issue to be considered by the Inter-Ministerial Committee set up by the Government on the issue of 'One Rank One Pension'.

(f) Inter-Ministerial Committee: An Inter-Ministerial Committee was set up on 27.02.2003 by the Department of Pension and Pensioners' Welfare to consider the demand of 'One Rank One Pension'. The Committee, in its report submitted on 24.09.2004 did not favour grant of 'One Rank One Pension', but recommended grant of modified parity based on the maximum of the revised scale of pay introduced with effect from 01.01.1996 for PBOR (Personnel Below Officer Rank).

(g) 6th Central Pay Commission: The 6th CPC also did not recommend 'OROP'.

(h) Cabinet Secretary Committee, 2009: The Committee went into this demand and other related issues, but did not recommend 'One Rank One Pension'. However, it made seven recommendations aimed at narrowing the gap between past and current pensioners.

(i) Standing Committee: The Standing Committee in its 7th and 9th (15th Lok Sabha) Report again reiterated its stand on 'One Rank One Pension'.

(j) Rajya Sabha Petition Committee: The Rajya Sabha Petition Committee in its 142nd Report stated that the Government should implement 'One Rank One Pension' in the Defence Forces across the board.

(k) Cabinet Secretary Committee (2012): The Committee did not recommend implementation of 'One Rank One Pension', however, it recommended various other ways to enhance pension of past retirees.

Need for OROP:

- The scheme was launched to remove the defects of the **old model** of pension wherein a Lieutenant General who retired in 1995 received a pension which is 10% lower than

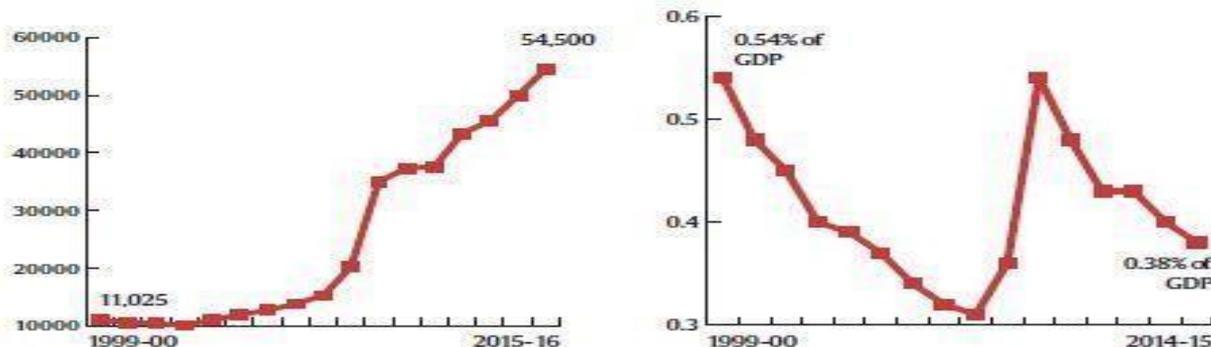
the Colonel who retired after the year 2006. Similarly, a jawan who retired in the year 1995 got a pension which is only 20% of the pension received by his counterparts who retired on or after 1st January, 2006.

- The demand for One Rank, One Pension was for removing these differences among the servicemen who retired on the same rank and this scheme successfully removed this existing disparity. Defence officers generally retire earlier compared to civil officers, who retire at the age of 60. It is a moral obligation of the government to pay attention for the welfare of the defence officers. The scheme of One Rank, One Pension upholds the virtues of justice, equity, honour and national security.

Challenges in implementing OROP:

- In February 2014, the government stated that OROP would be implemented in 2014-15, but did not specify what OROP would be, how it would be implemented or how much it would cost.
- The arguments against OROP were based on administrative, financial and legal complications in implementing the scheme.
- The previous government has estimated that OROP would be implemented with a budget provision of a mere Rs. 500 crore. The reality, however, is that to implement OROP, the estimated cost to the exchequer would be Rs. 8000-10000 crore at present, and will increase further in future.
- Launching this scheme was a challenge for administration as it is very difficult to look into the past records of many years and then provide the benefits to those who are eligible.
- The main argument for OROP is that Defence personnel retire early and thus are not able to get the benefits of serving till normal retirement age. Despite the huge fiscal burden, given its commitment to the welfare of Ex-Servicemen, the Government has taken a decision to implement the OROP.

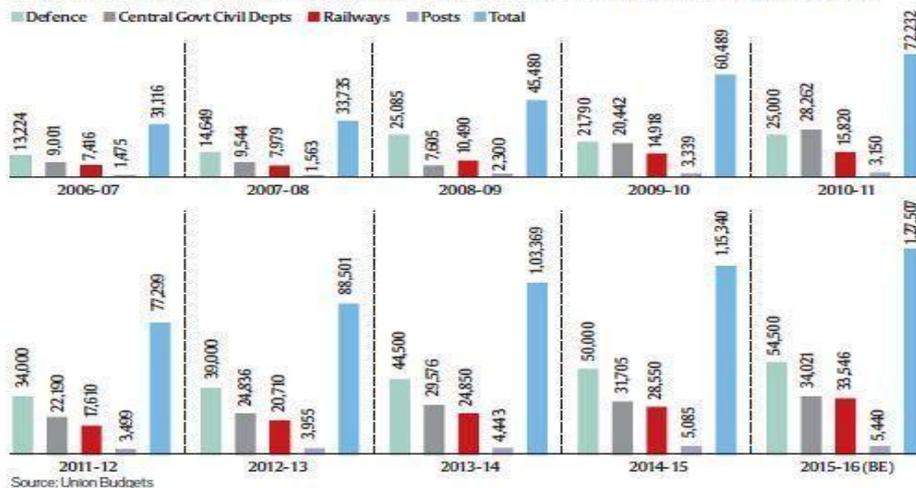
IN DECADE-AND-A-HALF, DEFENCE PENSIONS HAVE RISEN BY 400%, BUT ITS SHARE IN THE COUNTRY'S GDP HAS MOSTLY FALLEN



(Above) 2009-10 saw a sharp spike over the previous year due to the payment of arrears for the years 2006 to 2008. (Below) Pension bill in Rs crore. Defence pensions include pensions of approximately 4 lakh Defence civilians

Source: Union Budgets, Economic Survey 2014-15

DEFENCE HAS LARGEST SHARE — 43% ON AVERAGE — AMONG CENTRAL GOVERNMENT PENSIONS



Source: Union Budgets

OROP: Benefits

OROP implies that uniform pension be paid to the Armed Forces Personnel retiring in the same rank with the same length of service regardless of their date of retirement. Thus, OROP implies bridging the gap between the rate of pension of the current pensioners and the past pensioners at periodic intervals.

1. The benefit will be given with effect from 1st July, 2014.
2. Pension will be re-fixed for pre 010.7.2014 pensioners retiring in the same rank and with the same length of service as the average of minimum and maximum pension

drawn by the retirees in the year 2013. Those drawing pensions above the average will be protected.

3. The benefit would also be extended to family pensioners including war widows and disabled pensioners. These groups benefited from this scheme.
4. Arrears will be paid in four half-yearly instalments. However, all the family pensioners including those in receipt of Special/Liberalized family pension and Gallantry award winners shall be paid arrears in one instalment.
5. The pension would be re-fixed every five years.
6. The government support to their soldiers has increased and this has raised the morale of the people.

OROP
UNWAVERING
COMMITMENT FOR WELFARE
OF EX-SERVICEMEN (1/2)

- The long pending demand for OROP implemented after four decades
- The historic decision to implement OROP was taken on 7th Nov. 2015, benefit effective from 1st July 2014
 - Armed Forces Personnel retired up to 30th June 2014 were covered
- Uniform pension to those retiring in the same rank with the same length of service regardless of their date of retirement

OROP
UNWAVERING
COMMITMENT FOR WELFARE
OF EX-SERVICEMEN (2/2)

- ₹10,795.4 crore disbursed to 20.60 lakh Ex-servicemen/family pensioners as arrears
- Yearly recurring expenditure of about ₹7,123.38 crore
- Total recurring expenditure of approx. ₹42,740.28 crore since 1st July 2014
- Benefit of fixation of pension under 7th Central Pay Commission

Financial Benefits

- Financial implication on account of grant of OROP including Pre-Matured Retirees (PMR) cases is Rs. 10925.11 crore for payment of arrears and annual financial implication is Rs. 7488.7 crore.

- Till 31st March, 2016, 15.91 lakh pensioners had been given the first instalment of OROP, which amounts to Rs. 2,861 crore.
- In the first five years, an amount of approximately Rs 42,740.28 crore was disbursed to 20,60,220 Defence Forces and family pensioners.
- Information is being gathered for processing on priority basis, the cases of 1.15 lakh pensioners after filling in the gaps of information such as the length of service being assessed etc.
- OROP beneficiaries also got the benefit of fixation of pension under 7th Central Pay Commission.

#TransformingIndia
OROP Commitment Fulfilled
 OROP Pensionary benefits released to over Two Lakh Defence Pensioners

2,21,224 defence pensioners received revised pension and arrears on 1st march 2016 from Defence Pension Disbursing Offices	1,46,335 family pensioners will receive revised pension and arrears by March end .
Total additional annual financial increase for OROP – ₹ 7,488.70 Cr.	Total arrears to be paid for the period 1.7.2014 to 31.12.2015 – ₹ 10,925.11 Cr.

MyGovIndia | MyGovIndia | <https://transformingindia.mygov.in> | Published Date: 14th March, 2016

Other Major Policy Decisions

- Benefit of revision of pension (granted to post-01.01.2006 retired Havildars who were granted Honorary rank of Naib Subedar) extended to pre-2006 retired Havildars, granted Honorary rank of Naib Subedar w.e.f. 01.01.2006. Approximately, 75,250 pre-2006 retired Honorary Naib Subedars benefited from this decision (**Order dated 21.02.2020**).
- Invalid Pension henceforth to be admissible to Armed Forces personnel with less than 10 years of qualifying service in cases where personnel are invalided out of service on

account of bodily or mental infirmity which is neither attributable to nor aggravated by Military Service (**Order dated 16.07.2020**).

- The condition of minimum requirement of seven years of continuous service for grant of enhanced rate of Ordinary Family Pension done away with for Armed Forces personnel who died/invalided even with less than seven years of qualifying service. In case of Defence Forces personnel who died within ten years before the 1st day of October 2019 without completing continuous service of seven years, family shall also be eligible for family pension at enhanced rate w.e.f 1st October, 2019 (**Order dated 05.10.2020**).
- The facility of accepting scanned images of Life Certificate and identifying pensioners via phone or video chat including Certificate from District Sainik Welfare Officers (DSWOs) extended upto March, 2021 or till the situation (COVID-19) improves whichever is earlier (**Order dated 26.10.2020**). This facility has further been extended upto September, 2021 or till the Covid-19 situation improves whichever is earlier (**Order dated 21.05.2021**).

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