



PRESS INFORMATION BUREAU
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Continuous rise in the Defence Pension Expenditure over the past years

(Ministry of Defence)

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The government's expenditure on defence pension has seen a significant rise over the past six years, with expenditure in the year 2020-21 being more than twice of what it in the year 2015-16. Apart from other factors, the rollout of One Rank One Pension (OROP) in the year 2015 has contributed to this increase.

OROP : One Rank One Pension

One of the long-standing demands of the Indian armed forces had been for the implementation of **One Rank One Pension (OROP)**, implying that **retired soldiers of the same rank, who have retired after serving for the same length of service, will receive the same pension, irrespective of the date and year of their retirement.**

Though ex-Servicemen had been requesting for implementation of **OROP for more than 40 years**, but it was **not finalized until 2015**. The historical decision to implement **OROP was taken on 7th November 2015**, with benefits **effective from 1st July, 2014**. Pension of the past pensioners was re-fixed on the basis of pension of retirees of calendar year 2013. Pension was re-fixed for all pensioners on the basis of the average of minimum and maximum pension of personnel retired in 2013 in the same rank and with the same length of service.

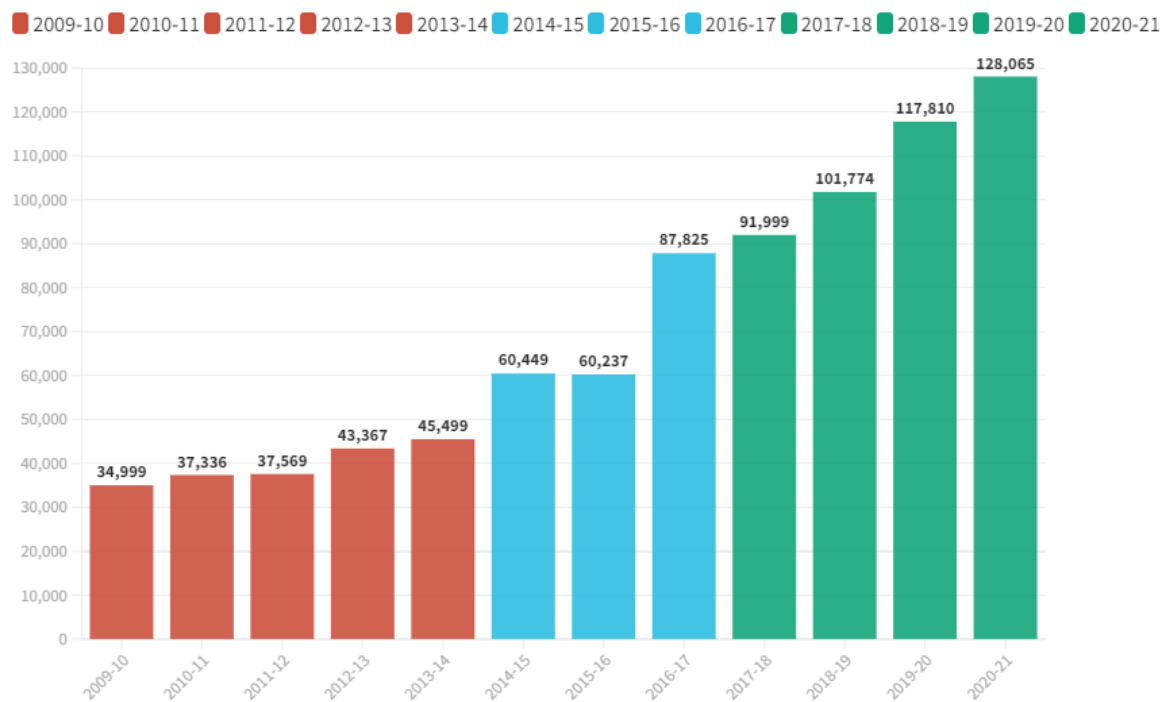
For the financial year 2016-17, a separate budget allotment of Rs. 12,456 crore was made for OROP payments. Thereafter, in the subsequent years, it became an integrated part of the Defence Pension Budget.

OROP led to huge increase in Defence Pension Outlay:

Before the implementation of OROP, the expenditure on defence pension for the year 2015-16 was Rs 60,237 crores. Since then, the expenditure has increased to a whopping Rs 1,28,065 crores for the year 2020-21. Defence pension expenditure since 2015-16 has been as under:

Year	Defence Pension Expenditure (Rs. In crore)
2009-10	34,999
2010-11	37,336
2011-12	37,569
2012-13	43,367
2013-14	45,499
2014-15	60,449
2015-16	60,237
2016-17	87,825
2017-18	91,999
2018-19	1,01,774
2019-20	1,17,810
2020-21	1,28,065

Expenditure for Defence Pensions (Rs. in Crore)



References:

<https://pib.gov.in/FactsheetDetails.aspx?Id=148559>

<https://pqars.nic.in/annex/256/AU530.pdf>

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