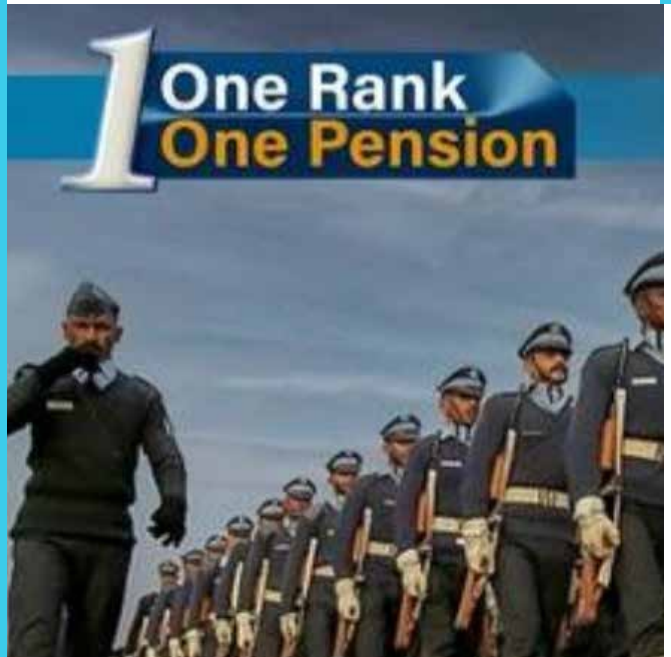




ONE RANK ONE PENSION (OROP)

FULFILLING LONG STANDING
DEMAND OF DEFENCE
PENSIONERS





Today, five years ago, India took a historic step towards ensuring the well-being of our great soldiers, who courageously protect our nation. #5YearsOfOROP is a momentous occasion. India waited for OROP for decades.”

PM Narendra Modi
Tweet on 7th Nov 2020



Contents

1. Gaps in the Earlier Pension Policy.....	02
2. A long pending issue.....	03
3. Steps taken by the Government	07
4. OROP benefits	10
5. Financial Benefits.....	11
6. Who benefits from the reform.....	12
7. OROP Media Reports.....	14

GAPS IN THE EARLIER PENSION POLICY

Before implementation of OROP, the computation of pension was linked to the pay drawn by the personnel in a particular pay scale/ pay band at the time of his/her retirement. Pay scales are revised to the higher side generally on the recommendation of Pay Commissions. As such, the personnel retiring after the revision of the pay scales got more pension than those who had already retired. Hence, the gap remained in the pension of the past and present retirees.



Our soldiers were patient for 40 years. They have never been out of discipline. They have always respected the system. They kept asking for this scheme, and our soldiers who are ready to sacrifice their lives for our country, were lied to.

-Prime Minister Narendra Modi

A LONG PENDING ISSUE

Ex-Servicemen had been agitating for implementation of OROP for more than 40 years, but the same was not finalized prior to 2015. The issue of 'One Rank One Pension' has been considered in the past by various committees and bodies and generally not found acceptable on account of the principles as well as significant financial implications not only for defence services but also for the civilian employees as a whole. The substance of recommendations of these committees and bodies is summarized as under:

3rd Central Pay Commission: It recommended weightages in qualifying service for pension from 3 to 9 years depending on the ranks.

High Level Committee on problems of Ex-Servicemen - 1984 (K.P. Singh Dev Committee): 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.

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

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

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 up gradation of recruitment qualifications or change in job contents. The benefits accorded on this account need not necessarily be passed on to the pensioners.

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’.

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.

The Parliamentary Standing Committee on Defence: The Committee in its 20th and 21st report reiterated their earlier recommendations for providing ‘One Rank One Pension’ to the Armed Forces Personnel.

Views of Ministry of Law on ‘One Rank One Pension’: “The present system has stood the test of judicial scrutiny. The same cannot be said for ‘One Rank One Pension’ and the legal feasibility of the same stands open to be adjudicated. Besides, there are financial aspects too that need to be kept in view”.

Group of Ministers: A Group of Ministers (GOM) was set up in January 2005 by the Government to look into this demand. GOM did not recommend 'One Rank One Pension'.

6th Central Pay Commission: The 6th Pay Commission has also not recommended 'One Rank One Pension'.

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

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

Rajya Sabha Petition Committee: 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.

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.



I had made a resolution before you for One Rank One Pension. You had to struggle a lot and launch movements during the tenure of previous governments. The nation is a witness to the same. Now the nation and you all are witnesses to the fact that not only has the One Rank One Pension been implemented but so far Rs.35 thousand crore has been distributed by our government. The government's pension budget has increased from Rs.44 thousand crores to more than Rs.1 lakh 12 thousand crores.

-Prime Minister Narendra Modi



Narendra Modi @narendramodi · 7 Nov 2020

Today, five years ago, India took a historic step towards ensuring the well-being of our great soldiers, who courageously protect our nation. #5YearsOfOROP is a momentous occasion. India waited for OROP for decades.

I salute our veterans for their remarkable service!



STEPS TAKEN BY THE GOVERNMENT

The Government accepted the 'One Rank One Pension' by way of its mention in the President's address to both Houses of Parliament on 09.06.2014 after the constitution of 16th Lok Sabha and an allocation of ₹ 1000 crore was provided in the Budget 2014-15 for implementation of OROP.

In pursuance of the Government decision to implement OROP for Defence Forces, a series of meetings were held in the Ministry of Defence for working out the details of its implementation. Keeping in view the magnitude and complexity of Defence pension, extensive consultations were held with experts and Ex-Servicemen before issue of Government order on implementation of OROP.

Demonstrating its commitment to the welfare of Ex-Servicemen, Government of India took the historic decision to implement OROP by issuing order on 07.11.2015. Armed Forces Personnel retired up to 30.06.2014 were covered under this Order.

Pension Revised

The Government has revised the pension of Armed Forces Pensioners/family pensioners under One Rank One Pension (OROP) w.e.f. July 01, 2019. Pension of the past pensioners would be re-fixed on the basis of average of minimum and maximum pension of Defence Forces retirees of calendar year 2018 in the same rank with the same length of service.

Beneficiaries

The Armed Forces Personnel retired up to June 30, 2019 {excluding pre-mature (PMR) retired w.e.f. July 01, 2014} are covered under this revision. More than 25.13 lakh (including over 4.52 lakh new beneficiaries) Armed Forces Pensioners/family pensioners have been benefitted. Pension for those drawing above the average shall be protected. The benefit would also be extended to family pensioners, including war widows and disabled pensioners.

Arrears are being paid in four half-yearly instalments. However, all the family pensioners, including those in receipt of Special/ Liberalised Family Pension and Gallantry Award Winners, are being paid arrears in one instalment.

The estimated annual expenditure for the implementation of the revision is approx. Rs 8,450 crore @31% Dearness Relief (DR). Arrears w.e.f. July 01, 2019 to December 31, 2021 have been calculated as over Rs 19,316 crore based on DR @ 17% for the period from July 01, 2019 to June 30, 2021 and @31% for the period from July 01, 2021 to December 31, 2021. Arrears w.e.f. July 01, 2019 to June 30, 2022 have been calculated as approx. Rs 23,638 crore as per the applicable dearness relief. This expenditure is over and above the ongoing expenditure on account of OROP.

Rank wise likely estimated increase (in rupees) in service pension under OROP w.e.f. July 01, 2019:

Rank	Pension as on 01.01.2016	Revised pension w.e.f. 01.07.2019	Likely arrears from 01.07.2019 to 30.06.2022
Sepoy	17,699	19,726	87,000
Naik	18,427	21,101	1,14,000
Havildar	20,066	21,782	70,000
Nb Subedar	24,232	26,800	1,08,000
Sub Major	33,526	37,600	1,75,000
Major	61,205	68,550	3,05,000
Lt. Colonel	84,330	95,400	4,55,000
Colonel	92,855	1,03,700	4,42,000
Brigadier	96,555	1,08,800	5,05,000
Maj. Gen.	99,621	1,09,100	3,90,000
Lt. Gen.	1,01,515	1,12,050	4,32,000

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. Salient features of OROP order were as under:

- I. Pension of past pensioners would be re-fixed on the basis of pension of retirees of calendar year 2013 and the benefit will be effective from 01.07.2014
- II. Pension will be 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 same length of service.
- III. Pension for those drawing above average shall be protected.
- IV. Arrears will be paid in four equal 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.
- V. Pension would be re-fixed every 5 years.

Financial Benefits

To quicken the process of revision of pension/family pension under OROP, Government issued detailed orders on 03.02.2016 along with 101 pension tables indicating rates for revision of pension/family pension under OROP.

The existing pension of all pre 1.7.2014 pensioners/family pensioners were enhanced with reference to applicable table for the rank (and group in case of JCOs/ORs), with reference to the actual qualifying service as shown in the tables subject to maximum term of engagement for each rank as applicable from time to time. Pension of Public Sector Undertaking (PSU) absorbees who had opted for 100% commutation of pension, were also revised with reference to revised pension of the rank determined for regular category of pensioners.

Additional pension as applicable to the old age pensioners/family pensioners on attaining the relevant age (80 years and above) was also enhanced by the Pension Disbursing Authorities (PDAs) from 1.7.2014 or the date from which the pensioner attained the age of 80 years or more, whichever was later.

Years-wise details of actual expenditure made on release of arrears for implementation of OROP are as under:

Financial year	Amount disbursed on account of OROP arrears
2015-16	Rs.2,861.55 crore
2016-17	Rs.5,370.61 crore
2017-18	Rs.2,563.24 crore
2019-22	Rs.23,638 crore
Total	Rs.34,433.40 crore

WHO BENEFITS FROM THE REFORM

Defence Forces Pensioners retired up to 30.06.2014/ family pensioners benefitted from OROP. A sum of ₹ 34,433.40 crore has been disbursed to 25,13,000 Defence Forces Pensioners/Family Pensioners as arrears on account of implementation of OROP.

The yearly recurring expenditure on account of OROP is about ₹ 15,573.38 crores. For about six years starting from 01.07.2014, the total expenditure was over ₹ 66,370 crore.

OROP beneficiaries also got the benefit of fixation of pension under 7th CPC while calculating the pension by multiplication factor of 2.57.

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, 2016, benefit effective from 1st July 2014
 - Armed Forces Personnel retired up to 31st June 2014 were covered
- Undiminished pension for 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)

- ₹10,785.4 crore disbursed to 20,60 lakh Ex-Servicemen/Family pensioners as arrears
- Yearly recurring expenditure of about ₹7123.38 crore
- Total recurring expenditure of approx. ₹42,960.28 crore since 1st July 2014
- Benefit of fixation of pension under 7th Central Pay Commission

Honouring Veterans, Keeping the 'Josh' High

Demand for **One Rank One Pension** fulfilled that had been pending for over 4 decades

Over ₹ 66,370 crore already disbursed to Ex-Servicemen

₹ ₹

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for citizens

KEEPING FOR OUR COUNTRY

OROP : MEDIA REPORTS

Here are some glimpses of OROP's success being acknowledged.

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Govt disbursed over Rs 42,700 crore to 20.6 lakh ex-servicemen under OROP in 5 years

PTI • Last Updated: Nov 08, 2020, 09:44 AM IST

Centre Increases Defence Pension, to Pay Arrears Too

Synopsis
Under the OROP scheme, uniform pension is paid to defence personnel who retire in the same rank with the same length of service, irrespective of their date of retirement.



NEW DELHI: The central government has disbursed more than Rs 42,700 crore to 20.6 lakh retired defence personnel under the One Rank One Pension (OROP) scheme, which was notified five years ago, the Defence Ministry said on Friday.

Under the OROP scheme, uniform

The ministry stated that the ₹42,700 crore has been disbursed to 20.6 lakh defence force personnel as family pensioners as arrears due to

THE HINDU

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Five years of OROP a momentous occasion: PM Modi



The One Rank One Pension scheme is a landmark step in ensuring uniform pensions for veterans, reflecting the government's commitment to the noble spirit of service irrespective of arbitrary rank.

Over the past five years, the government has disbursed over Rs 42,700 crore to 20.6 lakh retired defence personnel under the OROP scheme, which was notified five years ago, the Defence Ministry said on Friday.

The ministry stated that the ₹42,700 crore has been disbursed to 20.6 lakh defence force personnel as family pensioners as arrears due to

Thinking is Refined

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Hon'ble Prime Minister on the occasion of dedication of National War Memorial to the Nation on 25 February 2019.



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