

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-I)

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To,
Director,
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(Pension Reforms Section)
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