

One Rank One Pension Scheme

December 24, 2022 • vajiramandravi.com



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Why in News?

- The Union Cabinet recently approved pension revision for pensioners from the armed forces and their families under the One Rank One Pension (OROP) scheme with effect from July 2019.

Why in news?

- The Union Cabinet recently approved pension revision for pensioners from the armed forces and their families under the One Rank One Pension (OROP) scheme with effect from July 2019.

What is One Rank One Pension Scheme?

- In simple terms, 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.
- Earlier, ex-servicemen used to get pensions as per the Pay Commission's recommendations of the time when they had retired.
- A Pay Commission examines and reviews the existing pay structure & recommends changes in the salary, allowances, and other facilities for civil employees as well as for the armed forces.
- Under OROP, future enhancements in the rates of pension would be automatically passed on to the past pensioners.
- This implies bridging the gap between the rate of pension of current and past pensioners at periodic intervals i.e. every 5 years.
- Ex-servicemen drawing pensions will benefit from the OROP scheme, especially those who retired before **2006**.
- Because at present, pensioners who retired before 2006 draw less pension than their counterparts and even their juniors.
- The scheme covers all three services — **Air Force, Navy and Army**.

How much does Ministry of Defence spend on Pensions?

- During the OROP protests of 2013-15, it was argued repeatedly that meeting the demand would be financially unsustainable.
- Because soldiers retire early and remain eligible for pension for much longer than other employees. Soldiers usually retire at age 35.
- Currently, the approximate Defence pensioners are 33 lakh.
 - The actual expenditure of the Defence Ministry on pensions was Rs 1.18 lakh crore in 2019-2020, Rs 1.28 lakh crore in 2020-2021.
- The Defence Ministry's pension-to-budget ratio is the highest among all ministries, and pensions are **more than one-fifth of the total defence budget**.

News Summary

- The Union Cabinet recently approved a pending pension revision for pensioners from the armed forces and their families under the One Rank One Pension (OROP) scheme, which has been delayed since July 2019.
- With this, more than 25.13 lakh people, including over 4.52 lakh new beneficiaries, armed forces pensioners and family pensioners will benefit.
- The Supreme Court had earlier this year directed the government to quickly carry out the OROP re-fixation exercise upon the expiry of the five-year time-frame in July 2019, as was promised when the scheme was implemented with effect from July 2014.

Annual Expenditure

- The estimated annual expenditure for the implementation of the revision has been calculated as approximately Rs. 8,450 crore based on 31% Dearness Relief (DR).
- Arrears from July 1, 2019 to December 31, 2021 have been calculated as over Rs. 19,316 crore based on DR at 17% for the period from July 1, 2019 to June 30, 2021 and at 31% for the period from July 1, 2021 to December, 2022.

Q1) When was One Rank One Pension started?

The historical decision to implement OROP was taken on 7th November 2015, with benefits effective from 1st July, 2014.

Q2) How many Defence pensioners are there?

Currently, the approximate Defence pensioners are 33 lakh.

Source: [Explained: The rank-pension case](#) | [The Indian Express](#)

Video: <https://www.youtube.com/watch?v=4mRphmpJWSI>

Source: <https://vajiramandravi.com/current-affairs/one-rank-one-pension-scheme/>

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