



## One Rank One Pension (OROP)

**For Prelims:** [One Rank One Pension \(OROP\) scheme](#), [Supreme Court](#)

**For Mains:** Key Features of OROP, Challenges and Implications of OROP

[Source: TH](#)

### Why in News?

Recently, the Prime Minister commemorated the implementation of the [One Rank One Pension \(OROP\) scheme](#). The scheme was **officially implemented on 7th November 2015**, with **benefits effective from 1st July 2014**.

- OROP aims to **provide uniform pension benefits to armed forces personnel** based on their **rank and length of service**, reaffirming the government's commitment to veterans and their families.

### What is OROP?

- Background:**
  - The K.P. Singh Dev Committee (1984)** recommended addressing 'One Rank One Pension', based on the established pension principles for [Supreme Court](#) and [High Court judges](#).
  - The 4<sup>th</sup> Central Pay Commission** found equalizing pensions challenging, requiring major administrative efforts without ensuring consistent benefits for all pensioners.
  - The 5<sup>th</sup> Central Pay Commission opposed 'One Rank One Pension'**, arguing that additional benefits shouldn't extend to pensioners due to changes in job roles and qualifications.
  - The Cabinet Secretary Committee (2009)** rejected 'One Rank One Pension', but suggested measures to reduce the pension disparity between retirees.
  - The Rajya Sabha Petition Committee** recommended the implementation of 'One Rank One Pension' for all Defence Forces personnel.
- Definition:** OROP ensures that **all armed forces personnel retiring at the same rank receive the same pension**, regardless of their retirement date. Eg, a General who retired in the year 1980 will be receiving the same pension as a General who retired in the year 2015.
  - OROP addresses long-standing demands from veterans for equitable pension distribution, recognising their sacrifices and service to the nation.
- Key Features of OROP:**
  - Pensions are determined by rank and length of service**, ensuring fairness among retirees, while also protecting those already receiving above-average amounts.
  - Pension Revision:** The pension will be **re-fixed every five years** to account for changes in salaries and pensions of serving personnel. The first revision took place on **1st July 2019**.
  - Financial Implications:** The estimated cost for implementing OROP revisions is

approximately **Rs 8,450 crore annually**.

- **Beneficiaries:** Over **25.13 lakh armed forces pensioners** and their families will benefit from this scheme.
  - Includes provisions for **family pensioners, war widows, and disabled pensioners.**
  - **Uttar Pradesh and Punjab** have the highest number of OROP beneficiaries.
- **Supreme Court Ruling on OROP:**
  - The **Supreme Court** in **Indian Ex-Servicemen Movement v Union of India Case**, **affirmed the constitutional validity of the OROP** scheme, determining that different pensions for personnel of the same rank based on their retirement dates are not arbitrary.
    - It emphasized that differences in pensions arise from various factors such as **Modified Assured Career Progression (MACP)** and base salary calculations.

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**10** years of **OROP**

**A Milestone for Empowering Ex-Servicemen**

Total Financial Implication for 2024-2025 -  
**₹4,468.83 Crore** (From July 2024 to February 2025)

Disbursement to Pensioners till 30 September, 2024 -  
**₹895.53 Crore**

**OROP EXPENDITURE SERVICE PENSIONERS :LAST 10 YEARS**

Year	Expenditure OROP-I (Rs Cr)	Expenditure OROP-II (Rs Cr)	Expenditure OROP-III (Rs Cr)
2014	2500.00	0.00	0.00
2015	5500.00	0.00	0.00
2016	6500.00	0.00	0.00
2017	6800.00	0.00	0.00
2018	7000.00	0.00	0.00
2019	7500.00	1500.00	0.00
2020	7500.00	3500.00	0.00
2021	8000.00	4500.00	0.00
2022	9000.00	5000.00	0.00
2023	9500.00	5500.00	0.00
2024	7500.00	3000.00	1000.00

Ministry of Defence Government of India

**What are the Socio-Economic Implications of OROP?**

- **Welfare Enhancement:** OROP significantly **improves the financial security of veterans** and their families, contributing to their overall well-being.
- **Economic Impact:** Increased pensions can lead to **higher disposable income** for veterans, stimulating local economies through increased spending.
- **Social Recognition:** Implementing OROP serves as a public acknowledgment of the sacrifices made by armed forces personnel, fostering a sense of pride and respect within society.
- **Uniform Pension:** Ensures equal pensions for personnel retiring in the same rank with the same length of service, irrespective of retirement date.
  - Pension is **re-fixed every five years** to keep up with current standards.

**10** years of **OROP**  
ONE RANK ONE PENSION

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**Total OROP-III Beneficiaries- 21.56 lakhs**

**Total Rs 1,24,000 Cr additional funds expended since 2014 on account of OROP**

	OROP -I Wef 1.7.2014	OROP -I Wef 1.7.2014	OROP-III Wef 1.7.2024
No. of Armed Forces Pensioners/family pensioners Beneficiaries.	20.60 Lakh	25 Lakh (includes 4.52 lakh New Retirees from 1.7.2014- 30.06.2019)	21.56 Lakh (includes 3.54 lakh New Retirees from 1.7.2019- 30.06.2024)
Average annual expenditure	Around Rs 12,000 Crore		

OROP Phases	Beneficiaries	Average Annual Expenditure	Total Service pensioners exp	Total family Pensioners exp
OROP-I	Around 25.14 lakh	Around Rs 12,000 Crore	82203.08	10046.82
OROP-II			23953	7368.98
OROP-III			1076.51	325.95
			82203.08	10046.82
		Grand Total	1,24,974.34	

(All Amount in Rs Crore)

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## What are the Issues in Implementation of the OROP Scheme?

- **High Cost:** Implementation cost is significantly higher than initially estimated, impacting the exchequer.
  - **Example:** Initially estimated at Rs. 500 crore, the actual cost is between Rs. 8000-10000 crore.

- **Administrative Challenges:** Difficulties in retrieving and verifying past records for eligible personnel.
  - **Example:** Challenges in accessing historical service records to provide accurate benefits.
- **Complex Implementation:** Administrative, financial, and legal complications in executing the scheme effectively.
  - **Example:** Legal and logistical issues in ensuring seamless delivery of pension benefits to all eligible individuals.

**Drishti Mains Question:**

Assess the One Rank One Pension scheme's impact on the welfare of India's armed forces personnel.

**UPSC Civil Services Examination, Previous Year Question (PYQ):**

**Prelims**

**Q. As per the NSSO 70th Round “Situation Assessment Survey of Agricultural Households”, consider the following statements: (2018)**

1. Rajasthan has the highest percentage share of agricultural households among its rural households.
2. Out of the total agricultural households in the country, a little over 60 percent belong to OBCs.
3. In Kerala, a little over 60 percent of agricultural households reported to have received maximum income from sources other than agricultural activities.

**Which of the statements given above is/are correct?**

- (a) 2 and 3 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

**Ans: c**

**Q. In a given year in India, official poverty lines are higher in some States than in others because (2019)**

- (a) poverty rates vary from State to State
- (b) price levels vary from State to State
- (c) Gross State Product varies from State to State
- (d) quality of public distribution varies from State to State

**Ans: (b)**

