



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 4th Central Pay Commission** found equalizing pensions challenging, requiring major administrative efforts without ensuring consistent benefits for all pensioners.
 - **The 5th 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.



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

A Milestone for Empowering Ex-Servicemen

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)