

**MINISTRY OF DEFENCE**

DEMAND NO. 22

**Defence Pensions***(In ₹ crores)*

	Actual 2023-2024			Budget 2024-2025			Revised 2024-2025			Budget 2025-2026		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Gross	142092.99	...	142092.99	149205.00	...	149205.00	157681.00	...	157681.00	168795.00	...	168795.00
Recoveries	...	...	...	-8000.00	...	-8000.00	...	...	...	-8000.00	...	-8000.00
Receipts	...	...	...	...	...	...	...	...	...	...	...	...
<b>Net</b>	<b>142092.99</b>	<b>...</b>	<b>142092.99</b>	<b>141205.00</b>	<b>...</b>	<b>141205.00</b>	<b>157681.00</b>	<b>...</b>	<b>157681.00</b>	<b>160795.00</b>	<b>...</b>	<b>160795.00</b>
A. The Budget allocations, net of recoveries, are given below:												
<b>CENTRE'S EXPENDITURE</b>												
<b>Establishment Expenditure of the Centre</b>												
1. Pensions and other Retirement Benefits												
1.01 Army	121190.79	...	121190.79	127636.00	...	127636.00	133733.50	...	133733.50	141751.00	...	141751.00
1.02 Navy	7095.75	...	7095.75	7731.80	...	7731.80	8552.60	...	8552.60	9463.80	...	9463.80
1.03 Air Force	13778.48	...	13778.48	13813.00	...	13813.00	15367.00	...	15367.00	17553.50	...	17553.50
Total- Pensions and other Retirement Benefits	142065.02	...	142065.02	149180.80	...	149180.80	157653.10	...	157653.10	168768.30	...	168768.30
2. Deduct Recovery from Deposit Account	...	...	...	-8000.00	...	-8000.00	...	...	...	-8000.00	...	-8000.00
3. Service Charges to Banks	3.78	...	3.78	2.00	...	2.00	3.50	...	3.50	4.50	...	4.50
4. Rewards-Army, Navy and Air Force	24.19	...	24.19	22.20	...	22.20	24.40	...	24.40	22.20	...	22.20
<b>Total-Establishment Expenditure of the Centre</b>	<b>142092.99</b>	<b>...</b>	<b>142092.99</b>	<b>141205.00</b>	<b>...</b>	<b>141205.00</b>	<b>157681.00</b>	<b>...</b>	<b>157681.00</b>	<b>160795.00</b>	<b>...</b>	<b>160795.00</b>
<b>Grand Total</b>	<b>142092.99</b>	<b>...</b>	<b>142092.99</b>	<b>141205.00</b>	<b>...</b>	<b>141205.00</b>	<b>157681.00</b>	<b>...</b>	<b>157681.00</b>	<b>160795.00</b>	<b>...</b>	<b>160795.00</b>
<b>B. Developmental Heads</b>												
<b>General Services</b>												
1. Pensions and other Retirement Benefits	142092.99	...	142092.99	141205.00	...	141205.00	157681.00	...	157681.00	160795.00	...	160795.00
<b>Total-General Services</b>	<b>142092.99</b>	<b>...</b>	<b>142092.99</b>	<b>141205.00</b>	<b>...</b>	<b>141205.00</b>	<b>157681.00</b>	<b>...</b>	<b>157681.00</b>	<b>160795.00</b>	<b>...</b>	<b>160795.00</b>
<b>Grand Total</b>	<b>142092.99</b>	<b>...</b>	<b>142092.99</b>	<b>141205.00</b>	<b>...</b>	<b>141205.00</b>	<b>157681.00</b>	<b>...</b>	<b>157681.00</b>	<b>160795.00</b>	<b>...</b>	<b>160795.00</b>

NOTE: The total allocation for the demand in BE 2025-26 Gross is ₹ 1,68,795 crore (₹1,60,795 crore plus ₹ 8,000 crore). The additional ₹ 8,000 crore in BE 2025-26 to be met from the balances available under Deposit Account.

1. **Pensions and other Retirement Benefits:** The provision is for pensionary charges in respect of retired Defence Personnel (including Defence Civilian employees) of the three services viz. Army, Navy and Air Force and Ordnance Factories etc. It covers payment of service pension (including regular payment of 'One Rank One Pension'), gratuity, family pension, disability pension commuted value of pension, leave encashment etc.

3. **Service Charges to Banks:** The provision is for payment of service charges to banks on account of SPARSH services.

The variation at Gross level in RE 2024-25 with reference to approved BE 2024-25 is around ₹ 8,476 crore. The variation is due to increase in Dearness Relief and normal growth in pension and Other Retirement and financial impact of OROP-III (Approximately ₹ 4,000 crore). The Pension liability for the previous year amounting to ₹ 2,441.75 crore has been taken into account in RE 2024-25. Two New Object Heads under the Sub Heads- Pensions and Other Retirement Benefits of (Army, Navy and Air Force) has been introduced in RE 2024-25 namely 'Disability Pension' and 'Ex-Gratia Lump sum'.

Provision of Supplementary amount in RE 2024-25 under these Object Heads are as follows:-

a) under Minor Head Army- (Disability Pensions ₹ 3,247.01 crore, Ex-Gratia Lump sum ₹ 952.55 crore).

b) Under Minor Head Navy -(Disability Pensions ₹ 164.08 crore and Ex-Gratia Lump sum ₹ 10.13 crore).

c) Under Minor Head Air Force- (Disability Pensions ₹ 182.57 crore and Ex-Gratia Lump sum ₹ 2.85 crore).

The variation at Gross level in BE 2025-26 with reference to BE 2024-25 is ₹ 19,590 crore. This variation is due to increase in Dearness Relief and normal growth in Pension & Other Retirement benefits and impact of OROP-III.