



ABSTRACT

Pension – Implementation of Tamil Nadu Assured Pension Scheme (TAPS) to Tamil Nadu State Government Employees - Orders - Issued.

FINANCE (PGC) DEPARTMENT

G.O.Ms.No.07

Dated: 09.01.2026

திருவள்ளூர் ஆண்டு-2056

Read:

1. G.O.Ms.No.259 Finance (Pension) Department Dated: 06.08.2003.
2. Ministry of Finance, (Department of Financial Services) Notification Dated: 24.01.2025.
3. G.O.Ms.No.28 Finance (PGC) Department Dated:04.02.2025.

ORDER:

In the Government order first read above, the Government of Tamil Nadu introduced Contributory Pension Scheme (CPS) for its employees with effect from 01.04.2003. This scheme was designed as a defined contribution-based pension system for State Government employees.

2. On 01.01.2004, the Union Government introduced the National Pension System (NPS) for its employees at the Central level. Subsequently, based on representations received from various employees associations, the Government of Tamil Nadu continued to implement CPS for its employees, despite the shift in the Union

Government's pension policy. Further, in 2025, the Union Government notified the Unified Pension Scheme for all Central Government employees vide reference second read above.

3. In this context, the Government vide reference third read above constituted a Committee under the Chairmanship of Additional Chief Secretary to Government, Thiru Gagandeep Singh Bedi, I.A.S., to examine in detail the three pension schemes, viz Old Pension Scheme, Contributory Pension Scheme and Unified Pension Scheme and to make recommendations to the State Government regarding the most suitable and feasible pension structure to address the pensionary demands of the employees, while maintaining the fiscal sustainability of the State. After detailed analysis and deliberations with all stakeholders, the Committee submitted its report to the Government on 30.12.2025.

4. The Government have carefully examined the recommendations of the Committee, keeping in view the welfare and expectations of Government employees, overall financial position of the State and the responsibility of the Government to ensure uninterrupted payment of salaries and pensions to serving employees and pensioners in the long term.

5. After careful examination, the Government have decided to introduce a new pension scheme called the 'Tamil Nadu Assured Pension Scheme (TAPS)', with the objective of providing assured and

sustainable pensionary benefits to Government employees. The broad features of the Tamil Nadu Assured Pension Scheme (TAPS) are as follows:

- (i) An assured monthly pension equal to 50 per cent of the last drawn monthly salary (Basic Pay + Dearness Allowance) shall be provided to all eligible Government employees covered under TAPS. Towards this, Government employees shall contribute 10 per cent of their monthly salary and the entire additional financial requirement for providing the assured pension shall be borne by the Government of Tamil Nadu.
- (ii) In the event of death of a pensioner, monthly family pension equal to 60 per cent of the pension last drawn by the pensioner shall be payable to the eligible family members.
- (iii) Pensioners and family pensioners receiving assured pension under the scheme shall be eligible for Dearness Allowance increases on par with serving Government employees.
- (iv) Upon retirement or death while in service, gratuity shall be paid, proportionate to the length of qualifying service rendered, subject to a maximum ceiling of Rupees Twenty-Five Lakh.
- (v) Government employees who joined service under CPS and retired during the intervening period prior to the implementation of TAPS shall be granted a special compassionate pension proportionate to the length of service rendered.

- (vi) TAPS will be mandatory for all eligible Government employees who enter the service from 01.01.2026. All eligible Government employees who are governed by CPS and who retire on or after 01.01.2026 shall be covered under TAPS, subject to the rules to be notified.
- (vii) All Government employees who were in service before 01.01.2026 and were covered under CPS will be provided an option at the time of retirement to choose between the benefits under TAPS or those equivalent to what they would have received under CPS, in accordance with the provisions to be notified.
- (viii) All Government employees covered under TAPS, including those who initially joined service under CPS but are subsequently covered under TAPS and opt for TAPS benefits at retirement, shall be entitled to a minimum pension as may be prescribed.
- (ix) All Government employees covered under TAPS, including those who initially joined service under CPS but are subsequently covered under TAPS and opt for TAPS benefits at retirement, shall be permitted to commute a portion of their pension subject to the conditions as may be prescribed.

6. The detailed rules, eligibility conditions, operational guidelines and implementation procedures for TAPS shall be notified separately by the Government.

7. The Tamil Nadu Assured Pension Scheme shall come into effect from 01.01.2026 and will be operational after notification of the rules as above and completion of necessary statutory and accounting requirements.

(BY ORDER OF THE GOVERNOR)

**T. UDHAYACHANDRAN
ADDITIONAL CHIEF SECRETARY TO
GOVERNMENT**

To

All Additional Chief Secretary / Principal Secretary / Secretary to Government.
All Departments of Secretariat.
The Principal Secretary, Legislative Assembly Secretariat, Chennai-600009.
The Legislative Assembly Secretariat, Chennai-600 009.
The Governor's Secretariat, Raj Bhavan, Guindy, Chennai-600 025.
All Heads of Departments.
The Director of Stationary and Printing, Chennai-600 002. (to publish in the Tamil Nadu Government Gazette) (2 copies)
The Principal Accountant General (A&E), Chennai-600 018. (By Name
Principal Accountant General (A&E), Chennai-600 018.
The Accountant General (Audit I), Chennai-600 018.
The Accountant General (Audit II), Chennai-600 018.
The Accountant General (CAB), Chennai-600 009.
The Registrar General, High Court, Chennai-600 104.
The Secretary, Tamil Nadu Public Service Commission, Chennai-600 002.
The Director of Treasuries and Accounts, (FAC), Chennai-600 035.
All District Collectors. All District Judges/Chief Judicial Magistrates.
The Commissioner, Corporation of
Chennai/Madurai/Coimbatore/Tiruchirapalli/Salem/Tirunelveli.
The Pension Pay Officer, Chennai - 600 006.
All Treasury Officers/Sub-Treasury Officers. All State Government owned
Boards / Corporations.

/Forwarded By Order/


Additional Secretary to Government

