

**FEDERATION OF COAL INDUSTRY
RETIRED EMPLOYEES ASSOCIATION :**

(Regd. No. Mah-91/14 (Nag))

(Registered Office : 185, Nari Ring Road, Jaripatka, Nagpur-)

Ref :- Non-revision Pension./BOT/2020/01/

19.11.2020

To,

Secretary Coal / Chairman Board of Trustees
Coal Mines Provident Fund

AND

Members of the B.O.T.- CMPF

AND

Permanent Invitee (Chairman C.I.L), B.O.T.

**Sub : Seeking opportunity to Present the issue related to Pension Under
the CMPF & MP Act, 1948,**

Dear Sirs,

We welcome you at the Capital City of Jharkhand known for mineral
reserve and pioneering state for Coal production.

We are the sufferers on account of inaction for revision of the pension to
secure livelihood to the warriors who dedicated heart and soul; body and mind;
sweat and blood to Coal Industry. To freshen and adding to your information we
beg your kind attention for prompt action on the related matters mentioned under
the Paras below:

(1) PENSION NOT REVISED FOR 22 YEARS:

There is not a single Welfare Scheme, in the country/world which has
not been revised for such a long time.

**(2) LIMIT OF GOVT'S CONTRIBUTION STAGNANT AT Rs. 26.56
since 1971- FOR 49 years.**

Painful. Even the limit of Govt's contribution towards the Family
Pension, 1971 framed under the EPF & MP Act, 1952 was raised from Rs.
11.60 in 1971 to Rs. 174 w.e.f 01.09.2014.

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(3) REDUCITON IN LIVE MEMBERSHIP OF THE C.M.P.F. from 7.99 LAKHS (say 8 lakhs) in 1998-99 TO ABOUT 4 LAKHS in 2019-20.

Such reduction in live membership is mainly on account of **Contractual Operation** of raising Coal and removal of O.B. inspite the fact that All India Coal Production rose from 319.92 million tones in 1998-99 to 729.10 million tonnes in 2019-20. (CIL production rose from 256.48 MT to 602.15 MT and S.C.C.L. production rose from 27.33 M.T. to 64.02 MT) between the respective years. However, the manpower in CIL reduced from 5,86,882 to 2,72,445 during 1998-99 and 2019-20. The respective figures for S.C.C.L. is 1,20,419 to 46,021). Further against the number of employees working for Contractors now stands at more than 3 Lakhs against enrolled membership of CMPF less than 90 thousand in utter violation of provision under the 10 D of the said Act, 1948.

(4) EXTREME EXPLOITATION OF CONTRACTOR-WORKERS RESULTING INTO CROWNING OF CIL AS MAHARATNA COMPANY.

Contractor workers are paid much less wages and are denied of almost all the social and statutory welfare measures. Even the HIGHLY SKILLED Contractor--Workers get much less wages than the lowest Category of C.I.L. worker. Minimum wages in respect of C.I.L. worker as on 01.07.2016 is Rs. 30445.74 which has risen to Rs. 38735.84 as on 01.10.2020, taking the increment and rise in AICPI in view, against the Highly Skilled contractor Workers receiving wages of Rs. 16146 as on 01.07.2016 and Rs. 25844 on 01.10.2020. Wages have been computed on the basis of O.M. of CIL issued for wages of contractor workers. Such a wide gap between the wages of departmental and contractor-workers is in UTTER VIOLATION OF THE SUPREME COURT ORDER admitting the same pay for same or similar work. (Refers to detailed Judgement dated 26th October 2016- Civil Appeal No. 213 of 2013).

(5) NIL CONTRIBUTION BY EMPLOYER TO PENSION FUND BEFORE OCTOBER 2017.

It is painful to note that the employer, in actual, did not contribute a Single rupee to the Pension Fund. However, the employer claimed that they are contributing 1.16% of wages towards the Pension Fund. Such claim is a deceit. Actually what the employer did was to deduct 1.16% out of the Provident Fund of the employees and making it as their contribution. It was realized later by the Union representatives, on their own knowledge and information and probably supplement by our expressed concern, that the Pension Fund would be reduced to NIL by 2024-25 if not supplemented by the employer. They forced the employer to agree for its contribution of 7% of Basic pay and V.D.A. towards Pension Fund w.e.f October 2017. Subsequently a Gazette Notification was issued by the Government on 8th June 2018. This would generate an additional fund of more than Rs. 2000 Crores a year for Pension Fund and would sustain the payment of pension at the existing rate. An effort is to be made so that all the contractor-workers also joins CMPF.

(6) DEPLETION OF PENSION FUND AND NON-REVISION OF PENSION FOR LAST 22 YEARS.

Number of Pensioners rose from 896 in the year 1998-99 to about 5.5. lakhs in the year 2019-20 against the drastic reduction of live member from 8 lakhs to 4 lakhs and increased pension payment to the retirees after 1.7.2006 (Non Executive) and 1.1.2007 (Executive) due to FOUR. Revision of pay between 1998 to July 2016 for non-executive and TWO for Executives.

OUT GO was much more than the INCOME to the Pension Fund. Thus the Pension could not be revised inspite the fact that the CLAUSE 22(3) of the Coal Mines Pension Scheme, 1998 provides for revision of benefit to the Pensioners subject to availability of Fund. Outgo was allowed to grow without taking any tangible action for supplementing the pension fund.

- (7) **MINIMUM PENSION RANGED BETWEEN RS. 49 TO 168 DURING YEARS 2009 and 2014 (communication dated 21.10.2014 by CMPF) and Rs. 60 during 2016 (communication dated 18.05.2017 by CMPF).**

The Pension Scheme provides for a minimum pension of Rs. 350 [Ref:clause 10(1)] subject to “Pensionable Service “ of 30 years. The formula of computing pensionable service is so framed that any employee retiring before 2007 would not have 30 years of Pensionable service even if he reserved for 40 years. The reason would be apparent from the following :

<u>Service During</u>	<u>Pensionable years of Service</u>
Prior to 1971 -	NIL
1971 to 31.03.1989 - (i.e. for 18 years)	2/3 of the years (i.e. maximum of 12 years)
1.4 .1989 onwards	Full

This formula should be modified is changed with retrospective effect it would be beneficial to senior retirees. With passage of time and revision of pay the minimum pension has gone under very wide changes. It is to be noted that the pension is not payable for the Attendance Bonus, the 10% of Basic Pay. Other factors of wages namely Basic Pay, V.D.A. and S.D.A. were counted for the pension and is payable at the rate of 25% of 10 months average emoluments. The minimum pension has varied between Rs. 680.84 (Maximum Pensionable Service remaining at 21 yeas only) as on 1st April 1998 to Rs. 8157 as on 1st April 2020. The increase is 12 fold. It may be seen that if the Pension of the earlier retirees is not increased they would suffer very adversely. The adverse effect is for the employees of different rank/ grade.

(8) DISCREPANCY IN PAYMENT OF PENSION AND REAL VALUE OF THE PENSION

The Coal Mines Pension Scheme does not provide for NEUTRALISING the rise in cost of Living and related Index. Revision, if any, is dependant on the availability of fund earmarked for the pension. The table below is just by an example indicating the discrepancy in “Absolute and Real Value” term of the Chairman-Cum- Managing Director of C.I.L.

Date of Retirement of C.M.D., Coal India Ltd.	Monthly Pension in Absolute value	Real Value in April 2020	Ratio of Real Value in April 2020
31.12.1994 Pension paid Since April 1998	Rs. 2344.00	Rs. 568.00	1.00
28.02.2011	Rs. 29607.00	Rs. 16318.00	28.72
31.01.2020	Rs. 59898.00	Rs. 58472.00	102.94
Lowest Pension of Category-I Mazdoor		Rs. 8157.00	14.36

Note :

- (i) Category-I Mazdoor gets in Real value terms 14.36 times the Pension paid to one CMD of Coal India Ltd.
- (ii) Recently retired CMD, Coal India gets 102.94 times more than his predecessor.
- (iii) This sort of DISCREPANCY exists for all ranks of employees.
- (iv) The reason : No revision of Pension for the last 22 years.

(9) INACTION ON THE REQUEST, RECOMMENDATION AND OBSERVATION

(A) Request and appeal by Federation and request letter of Chairman C.I.L. to Secretary (Coal)

It is really very unfortunate that prayer and request by the FEDERATION and its Federates since 2005 did not see the light of the day. We received only assurance but no action on the ground. Prayer and requests were made to the P.M., Ministers, Secretary (Coal), Commissioner C.M.P.F. Chairman Coal India Ltd and CMD S.C.C.L. The details of the same would be very voluminous. The only authority who took up our cause seriously was Sri P.S. Bhattacharya then Chairman, C.I.L. He attended the meeting convened by the Ministry of Coal in which the undersigned was invited to present the issues related to CMPF and Pension on 6th July, 2010. The meeting was taken by Sri Alok Perti, then Addl. Secretary Coal. After prolonged deliberation Sri Bhattacharyya summarized and supported our views and addressed a letter dated 25th January 2011 to the Secretary (Coal), mentioning, *inter alia* *stressing that “..... Retirees in the same scale / grade shall not draw pension lower than 50% of the pension drawn by the current retirees”*

That is to say that he meant “ONE RANK HALF PENSION”. We have based our demand on this proposition.

(B) Member of Parliament (M.Ps.) and the “Standing Committee on Coal and Steel”.

Many M.Ps. raised the issue of “Non-Revision of Pension, inside and outside parliament, for the workmen of the coal Industry. They were assured for needful. Amongst the MPs the notable ones

were Sri Kamalnath; Madame Anusuiya Vike, Smt. Sushma Swaraj Sri Hansraj Ahir and many more. They received only assurances for the needful.

Surprisingly no action was taken on strong recommendation made by the “STANDING COMMITTEE ON COAL AND STEEL (2012-13)” After detailed enquiry and deliberation the committee recommended for enhancement of the pension under the following words.

“..... the committee strongly recommend that the Ministry of Coal / CMPFO should accord top priority to review the scheme and necessary steps be taken to enhance the pension of Coal Mine Workers”

However, no concrete action was taken.

(C) Ignoring the Recommendation of Actuaries for supplementing the Pension Fund.

The table below summaries the valuation of the Pension fund by different actuaries at different time. It only proves that if the recommendation of the Actuaries would have been acted upon it was possible to enhance the pension of earlier retirees.

SUMMARY OF ACTUARIAL VALUATION

Sl. No	Date of Submission	Valuation as on	Projected loss in the Pension Fund	Recommendation by Actuary and Remarks by the Petitioner
	Name of Actuary			
(1)	February 2002 and 29.07.2003	31.03.2001	-----	Actuary recommended raising Govt's contribution to 1.66% of Rs 4000 (ie Rs 66=40) in place of 1.66% of Rs 1600 (ie Rs 26=56). The reason for this recommendation was on the basis that the Minimum salary
	Sri Bhudev Chaterjee			

				as on 01.07.1998 has gone up above Rs 4000 Remarks : Had this principle been followed, the Govt's contribution would have been increasing after every revision of Wages.
(2)	10.10.2006 Liaquat Khan	31.03.2005	Rs1946.67 Crores	The total contribution to the Pension (Excluding Govt's contribution) at 15% of salary against the existing contribution of around 8%. Remarks : Had this been followed there would be no depletion of Pension Fund. Ultimately it materialized w.e.f 1.10.2017 ie after 11 years 10 months. The total contribution is 14% of the salary as per notification dated 8.06.2018.
(3)	During 2013 Liaquat Khan.	31.03.2012	Rs 18416 Crore	Recommended supplementing the Pension Fund with Rs 4000 Crores and the Minimum Pension to be raised to Rs 5000 and limiting the Pension to Rs 30,000/-
		31.03.2013	Rs 19698.58 Crore	-----
(4)	2016-2017 K.A. Pandit	31.03.2015	Rs 40976.64 Crores	Remarks : The UoI, R-1, has been quoting this figure and justifying its inability to revise the Pension.

It is submitted that the losses indicated is projected for a long period say 20-30 years without any change in the contribution of the employer and increase in Govt's contribution.

The corpus of the Pension Fund never went in the Negative. Corpus of the Pension Fund as on 31.03.2018 was Rs. 13197.34 Crores.

It is also submitted that the Actuarial Valuation, if undertaken after issuance of the Govt's Gazette Notification dated 8th June 2018 mandating 7% contribution by employer the Projected loss would have been much lower or even it could be NIL.

(D) C.A.G. Audit pointing out the reason for acute deficit in pension fund.

The first line of the para 6.1.2.1 of the Audit Report reads as follow

“Non-implementation of recommendations of the actuary led to acute deficit in Pension Fund”.

The recommendations of various actuaries at different time hast been brought out under the Part “C” of this para 9, just above this part D. Action should have been taken to take care of deficit of The Pension Fund in totality so as to solve the problems faced by the earlier retirees.

Note – The report of the CAG may be gone through to know the basis on which the CAG has concluded its finding.

(10) SIMPLIFICATION OF CONTRIBUTION BY THE EMPLOYEE AND EMPLOYER TO THE PENSION FUND:

The Gazette Notification dated 8th June 2018 has simplified the contribution by the employee and employer. In place of contribution in terms of clause b, c and d of paragraph 3 of the Coal Mines Pension Scheme, 1998, employers and employees are required to pay only 7% of Basic Pay and variable Dearness Allowance (V.D.A.) It follows that the computation of the Pension payable would be only on the Basic Pay and V.D.A. and excluding the Special DA as the exclusion of Attendance Bonus in past This para may be read along with para 5 of this presentation.

(11) SUSTAINABILITY CONSTITUTION OF THE COMMITTEE ON CMPS, 1998

The B.O.T. in its wisdom, though belated, resolved to constitute a committee in its 169th meeting held on 14th March 2018 to recommend the measures on sustainability of CMPS, 1998. The committee comprised of two members each representing employer and employee. The committee sought the assistance of Sri J. Pandit, Actuary belonging to M/S A.K. Pandit and officials of CMPF and CIL. The committee submitted its report promptly on 20th June, 2018 and a corrigendum dated 17.07.2018 was also submitted to the commissioner relating to the point 9 of the 12 point report submitted on 20th June 2018.

The committee in addition to twelve recommendation has also mentioned the following under the concluding paragraph .

“Also, a decision on the above may be taken speedily as the relevance of the suggestions may get changed if there is longer time taken to implement the above”.

Unfortunately more than 2 years have lapsed after submission of the report, final decision has not yet been taken on the TWO IMPORTANT RECOMMENDATIONS. They are dealt under the following para 12 and 13.

(12) ENHANCEMENT OF GOVERNMENT CONTRIBUTION – MUST BE RAISED TO A MINIMUM OF RS. 505 PER MONTH PER LIVE MEMBER FROM RS. 26.56 AT PRESENT

The persons responsible for framing the “COAL MINES PENSION SCHEME, 1998” had simply adopted the limit of the Govt’s contribution pegged at 1.66% of total emoluments of Rs. 1600 as was provided under the Coal Mines Family Pension Scheme, 1971 without realizing that the pay/emoluments has gone under vast charges. The respective upgradation in pay is brought out below.

Relevant Pay Scales

(i)	Applicable in the year 1971	Rs. 1300 – 60 – 1600
(ii)	Applicable as on 01.04.1998 (Gradual upgradation during seven revision)	Rs. 17500 – 400-22300
(iii)	Applicable w.e.f. 01.01.2017 (on the second revision)	Rs. 80,000-2,20,000

The limit of the Govt’s contribution should have been raised from Rs. 1.66% of Rs. 1600 to that of 1.66% to Rs. 22300 i.e. from Rs. 26-56 to Rs. 370.18 on 1st April 1998. As of now if the limit cannot be raised to 1.66% of 2,20,000 consideration of Govt’s contribution could be at 1.66% of the starting basic pay of Rs. 80,000 (i.e. Rs. 1382.00). Even if the amount is found to be on higher side the LEAST THAT SHOULD BE ADMITTED IS AT THE RATE OF 1.66% OF THE MINIMUM WAGES PAYABLE TO THE LOWEST WAGES PAYABLE TO THE LOWEST CATEGORY OF WORKER.

The minimum wage (of the lower category of worker) has risen to Rs. 30445.74 (Rs. 29394.23 + 4% of Basic pay as special allowance) as on 1-7-2016. 1.66% of 30445.74 works out to **Rs. 505.39 (say Rs. 505)**. **Therefore, the Govt. should not contribute less than Rs 505/-.**

It may be seen that the RECOMMENDATION OF THE COMMITTEE IS HIGHLY UNJUSTIFIED.

Further it is also be noted that there is no limitation on the contribution by the Govt. to the Pension Fund. It is apparent under the SECTION 3E (2-b) of the CMPF & MP Act, 1948 (as amended in 1996). The relevant part is quoted below:

“Such sums as the Central Government may, after due appropriation made by parliament by law in the behalf, specify”.

The Committee has just copied the limit prescribed under the E.P.F. It is to be noted that the limit of pay on which the EPF is applicable is only upto pay of Rs. 15000/-. However, there is no limit on pay under the CMPF either for Fund or Pension contribution.

There is a FULL JUSTIFICATION of the Govt's contribution of Rs. 505/- and not Rs. 249 (@ 1.66% Rs. 15,000) as recommended by the committee.

(13) LEVY – WELFARE CESS OF RS. 10 PER TONNE OF COAL PRODUCTION IS FAR OFF TO MEET THE REQUIREMENT

The Committee had recommended to levy welfare cess of Rs. 10 on each tonne of coal production under the report submitted on 20th June 2020. It is painful to note that a very belated follow up action was taken by the way of requesting the CMD of Coal companies “ **to voluntarily increase Pension Contribution @ 10 per tonne of coal production**”. The request was made through a letter dated 14.02.2020 by the

Commissioner of CMPF in compliance with the B.O.T.'s resolution in its 172nd meeting held on 20.12.2019, lapse of 1 year 6 months after submission of the report.

We have been writing to the Secretary (Coal) cum Chairman B.O.T. indicating that minimum requirement cannot be met without levying Rs. 30 per tonne of Coal. Our letter dated 17th May 2018 and 26th April 2019 may be referred. However, we have computed the requirement based on the information received by us subsequently.

Our computation is based on the realistic assumption which may be very close to the Actuarial study conducted by any Actuary.

COMPUTATION TO MEET “ONE RANK HALF PENSION”

(A) Known Figures

(i)	No of Live (Contributing) members in 1998-99 of CMPF (Note : In the year 1999-2000 – it rose to 801970 and then went on reducing)	7,99,036 (Say 8 Lakhs)
(ii)	No. of Live contributing member as on 30.06.2020	4,06,518 (Say 4.1 Lakhs)
(iii)	Out of the figure of 4.1 Lakh the membership of contractor workers	89,058 (Say 90000)
(iv)	(a) Manpower - CIL as in 1998-99 -	5,86,882
	Manpower – CIL – as in 2019 -20	2,72,445
	Production of CIL – 1998-99	256.48 M.T.
	Promotion in CIL 2019-20	602.15 M.T.
	(b) Manpower in S.C.C.L. in 1998-99	1,09,419
	Manpower in S.E.CL. in 2019-20	46,021
	Production of S.E.CL. in 1998-99	27.326 M.T.
	Production in S.E.CL. in 2019-20	64.02 M.T.

(c) All India Coal Production in 1998-99 -	319.92 M.T.
All India Coal Production in 2019-20	729.10 M.T.
(d) Profit After Tax” of C.I.L. in 1998-99	508.94 Crore
Profit After Tax” of C.I.L. in 2019-20	16,7.01 Crore
Profit After Tax S.C.C.L. in 1998-99	124.51 Crore
Profit After Tax S.C.C.L. in 2019-20	993.86 Crore

The figures above indicate excessive reduction in manpower but **“Increase in Production”** and **“ Huge Profit”**. (The figures in respect of other coal companies/mines are not available with us).

Note : As written earlier, the main reason for reduction in manpower and increase both in production and profit is engagement of contractors for mining operation. Result is suffering of Pensioners as no revision of pension for the last 22 years.

[B] CASH DEFICIT TO PENSION FUND AND RELATED MATTERS.

- (i) Net Assets of the Coal Mines Pension Scheme, 1971, amounting to Rs. 1841.1 crores, stood transferred to the Coal Mines Pension Scheme, 1998 on 31.03.1998.
- (ii) The Contribution to the Pension Fund from employer and employee went on reducing right from the 1999-2000. Compared to the previous years. The contribution from the Govt. also went on reducing because of reduction in contributing member.
- (iii) Such reduction in the contribution to the Pension Fund remained unnoticed because of lack of appreciation of the future of the Pension Fund.
- (iv) Out Federates, mainly the Coal Mines Retired Executive Association, had been writing on the subject of revision of Pension since the year 2005.

- (v) Cash Deficit was noticed right from the year 2007-08. In the year contribution under CMPS, 1998 was Rs. 397.99 crores against “Disbursement” of Rs. 503.68 crores resulting in Cash Deficit of Rs. 105.69 crores. “Cash Deficit” Went on increasing. During the year 2016-17 the deficit rose to Rs. 1240.65 crores. The figures of subsequent years are not readily available to us. However, the losses must have increased further. The losses were met by taking “loan from the Provident Fund” — a very unhealthy practice.

[C] RISE IN PENSION PAYMENT DUE TO RISE IN WAGES IN DUE COURSE :

(a)	(i) The Minimum Pension as on 01.04.1998 (on full 30 years of pensionable service)	Rs. 680.84
	(ii) The Minimum Pension rose as on 1 st April 2020	Rs. 8157.00
(b)	(i) The Maximum Pension as on 01.04.1998	Rs. 5231.36
	(ii) The Maximum Pension rose as on 31.01.2020	Rs. 59898.00

[D] RELIEF BY CONTRIBUTION OF 7% OF BASIC PAY AND V.D.A. TO THE PENSION FUND BY EMPLOYERS.

As mentioned above the employers are required to pay 7% Basic Pay and V.D.A. in addition to equal contribution of employees. w.e.f. October, 2017. Prior to October, 2017 the management was not paying a single rupee and the Pension Fund was contributed by 7.33% of Basic Pay + V.D.A. + S.D.A. (SDA= 1.795 of Basic pay --- very little contribution on his account). Govt. Contribution went on reducing from Rs. 41.21 crores to 10.62 between 1998-99 and 2019-20. This contribution is negligible.

I – RECEIPT (ANNUAL)

The amount receivable by the employer's contribution and matching contribution by employees is computed on the following "REALISTIC" ACCUMPTION.

(i)	Weighted Average Basic. pay and V.D.A. during a year (Say 2019-20) in respect of each employee	Rs. 10 Lakhs
(ii)	The 7% of this amount	Rs. 0.7 Lakhs
(iii)	Contribution by 4 lakhs employees	Rs. 2800.00 Crores
(iv)	Same contribution by employer	Rs. 2800.00 Crores
	Total contribution to pension fund	Rs. 5600.00 Crores

(E) LEVY-WELFARES CESS FOR UPWARD REVISION OF EARLIER RETIREES

As brought out under the para above that the 7% contribution by employer is more than sufficient to sustain the payment of pension at the existing rate/norm. Therefore any further supplementation to Pension Fund is for increasing the pension of the earlier members of the CMPF who have retired prior to July 2006 (Non-Executives) and January 2007 (Executives).

Such of the retirees are suffering acutely. They need immediate relief. We have computed the requirement of Fund for such relief.

The computation is based on the following presumption:-

(a)	The average Pension receivable of by such deprived non executive	Rs. 1700 per month
(b)	The average Pension receivable by such deprived Executive	Rs. 5000 per month

Additional Fund required for such deprived Pensioners:

Category of Pensioners	No of Deprived Pensioners	Increase Per head (Average Monthly)	Additional out Flow (Annual)
Non Executive	1.7 Lakhs	Rs. 7000	Rs. 1428 crores
Executive	0.3 Lakh	Rs. 15000	Rs. 540 crores
Total			Rs. 1968 crores Say Rs.2000 Cores

A few of the Pensioners retiring after 01.07.2006 (Non Executive) and Executives retiring after 01.07.2007 might be drawing less than 50% of the Pension of the current retirees from the year 2021—22. Such retirees would need some additional pension. However, the sum required will not be substantial.

Generation of Rs. 2,0000 crores, if it is to done only through Levying –Welfare cess the minimum Levey per tonne of coal is to be on the basis of following Formula based on the “All India Coal Production of 729.10 Million Tonnes ie. 72.91 Crore tonnes in year 2019-20.

$$\begin{aligned}
 \text{Production of coal x Levy per tonne} &= \text{Rs. 2,000 Crores} \\
 72.91 \text{ Crores x Levy Per tonne} &= \text{Rs. 2,000 Crores} \\
 \text{Levy Per tonne} = \text{Rs. 2000} \div 72.91 &= \text{Rs. 27.43 per tonne}
 \end{aligned}$$

To be on safer side it should be kept at Rs. 30 per tonne. Further the increase in contribution by the Government will provide some cushion. Such approximation will take care of marginal increase of pension of such of the retirees who have retired after 01.07.2006 (Non-Executive) and 01.01.2007 (Executives) and are getting less than 50% of the current retirees of the same rank/ grade.

II - LIKELY DISBURSEMENT (ON THE EXISTING RATE)

We donot have the latest figure of disbursement. We have information regarding the year 2016-17. Based on that we have projected the figure.

(i)	Disbursement (Actual) during the year 2016-17	Rs. 2208.40 crores
(ii)	Projected addition of Rs. 400 crores. During 2017-18	Rs. 2600.00 (Say)
(iii)	(Projected addition of Rs. 580.00 crores during the year 2018-19	Rs. 3100.00 Crores
(Iv)	Project addition of Rs. 600 crores in the Year 2019-20	Rs. 3700.00
(v)	To give some margin on safer hide it would not exceed	Rs. 4000.00

Therefore, event in the worst circumstances the additional fund through Employer's contribution (and also including those of the employee) there will remain some Fund (Rs. 5600 crores – Rs. 4000 = Rs. 1600 Crores) to meet any contingency.

Therefore, it can be safely concluded that the added contribute as by employer, to the extent of 7% of Basic Pay and V.D.A. is more than adequate to ensure payment of the pensioners at the present rate. Any additional contribution would be only for the "Enhancement of Pension of earlier retirees.

(14) ARBITRARY CUT OFF DATE 01.04.1994, FOR ELIGIBILITY OF PENSION. TO BE SHIFTED TO 1.04.1989.

The paragraph 4 (4) of the Coal Mines Pension Scheme, 1998 is related to "Eligibility of Pension". The entitlement is restricted to retirees who retired on or after 01.04.1994. It is without any reason Probably the persons responsible for drafting the Scheme did not know that the proposal for Pension was agreed to between the Employer and Trade Union as on 14th November 1983 (covering NCWA III- 1.1.1983 to 31.12.1986). The relevant para is quoted below:

Quote :1.0 Retirement Benefit

1.1. *It is agreed in principle to evolve a scheme based on contribution of 2 percent of wages (Basic Plus DA) per month by workers and management, total 4 percent for the purpose of monthly payment to the concerned employee or his family on retirement or permanent disablement or death within service--- modalities to be jointly worked out at the JBCCI level"* **Unquote**

However, there was delay in formulating the Scheme and agreeing to the modalities of the Scheme. It was subsequently agreed that the Pension Scheme would come into force and "DEDUCTION OF 2% OF SALARY COMMENCED w.e.f 01.04.1989 much before the pension Scheme came into force i.e. w.e.f. 31.3.1998 covering the employee-members retiring on or after 01.04.1994. All those who opted for Pension had to pay 2% of salary w.e.f. 01.04.1989. [Ref: para 4 (4-b) of the Scheme 1998]. The "Cut-off- date", – 01-04-1994, is an "ARBITRARY" one. If at all a cut-off date is to be fixed it should be only "01.04.1989, the date from which the deduction of 2% of salary commenced on account of Pension.

We have requested for inclusion of our representative in the B.O.T. Vide our request letter dated 6th October 2020 addressed to the Chairman B.O.T. in addition to our earlier communication

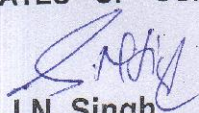
We earnestly request the B.O.T. and the Government of India to take immediate steps to ensure :

(A) ONE RANK HALF PENSION.

(B) CUTO-OFF-DATE BE SHIFTED TO 1.04.1989.

We would be Thankful and obliged for your just and kind consideration.

WE REMAIN "THE LIFE LONG ASSOCIATES OF COAL INDUSTRY."


J.N. Singh

President