



# ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

( Regd. Under the Trade Union Act, 1926; Regd. No. 546 / 2016 )

302, Block No. 4, Ram Krishna Enclave, Nutan Chowk, Sarkanda; Bilaspur (CG)

E-mail : centralaiace@gmail.com ; Ph. 9907434051

**AIACE/CENTRAL/2024 / 076**

**Dated 25.9.2024**

To

Smt. Rupinder Brar,  
Addl. Secy, Ministry of Coal,  
Government of India,  
New Delhi.

Sub: Participation solicited for AIACE/AICPA representatives in proposed meeting on 30-9-2024 for enhancement of CMPS fund under CMPS-1998.

Respected Madam,

It is to recall that AIACE/AICPA representatives had a meeting in Shasti Bhavan on 31-1-2024 in your chamber on the invitation of by Sri V K Mishra, Commissioner, CMPFO in reference to our dharna call at Jantar- Mantar, New Delhi vide letter no. 2024-AICPA/CENTRAL/002 dt. 17-1-2024 for revision of pension under CMPS-1998 and for identifying the culprits for Fund mismanagement.

In the meeting, our suggestions were duly listened and we understood that the Ministry of Coal was, in principle, is agreeable to take needful action for revision of pension.

The suggestions put forward by us were appreciated and for gathering more suggestions, a follow-up meeting was proposed at Bilaspur, (CG), sometime in March, 2024. But, this meeting could not happen.

It is to inform that suggestions for strengthening CMPS-98 fund, were submitted by us vide letter no. AIACE/CENTRAL/2021 /025 dated 11.3.2021 to the then Secretary, Coal. The Coal ministry was kind enough as vide letter no. CPF/CP/111(26)/Evaluation/Vol.XI/Part/224 dated 2021, CMPFO forwarded these suggestions for Comments to All Coal Companies and Members of BoT, CMPFO.

Further actions on this are not known even after lapse of 3 ½ years.

It is to inform that we have held around 12-13 Dharnas/Demonstrations nationwide at different places before CMPFO offices viz like Dhanbad, Ranchi, Asansol, Ranchi, Nagpur, Kothagudem, and also at Jantar-Mantar New Delhi and Varanasi. Every time, our demands and suggestions were appreciated, accepted but were never taken seriously for resolution.

It is learnt that, a meeting of all stake holders is being arranged on 30-9-2024 at Shastri Bhawan, New Delhi to discuss steps for Sustainability of Pension Fund under CMPS-1998.

It is requested that a 5-member delegation from our association may kindly be invited to have a wider exchange of views on suggestions put forward by us from time to time in he proposes meeting to be held on 30/9/2024. Some of our suggestions, put forward by us, are appended below in Appendix which are proposed to be discussed in the said meeting.

With Regards,

P. K. Singh Rathor  
Convenor, AIACE/AICPA

Copy to:

The Secretary, Ministry of Coal, Govt of India, New Delhi

Copy for kind information to

Sri G K Reddy, Minister of Coal and Mines, Govt of India. New Delhi.

**PART-A. REQUIRED REFORMS BASED ON CAG REPORT AND UPS:**

- i) Immediate Restructuring of present CMPS-1998 with a better scheme
- ii) Immediate review and enhancement of pension linked with Dearness Relief (DR)
- iii) If needed, compulsory welfare cess of 1% on selling price of coal
- iv) Expansion of CMPF Trustee Board to include Persons who are Investment experts.
- v) Coal Ministry officials are given free hand to overrule BoT obstructions.
- vi) To ensure Actuary report every 3 years

**PART-B. ASSESSMENT OF FUND AVAILABILITY**

The inflation rate in India between 1995 and 2022 was 460.53%, as per data available at <https://www.inflationtool.com/indianrupee?amount=100&year1=1998&year2=2022&frequency=yearly>.

This means the average annual inflation rate between these periods was 6.59%.

So, to provide relief to existing surviving pensioners at a rate of 6.59% of pension being drawn for every year of survival, a sum of Rs 405 Crore only is required.

This additional requirement of fund of Rs 405 crores can be had by one of the following ways:

**a) Levying welfare cess**

Coal Production of CIL in 2020-21 was 754 Million Tonne

Cess generated by levy of Rs 10 per tonne of coal, Rs 754 Crore per year which is more than required Rs 405 crores

NOTE - Four of the Electricity Discom companies are levying a cess of 3.8% on consumers to strengthen the pension fund. This step has been upheld by Delhi High Court in 2020.

**b) Earmarking nominal percentage of profit before tax**

*CIL and SCCL can earmark nominal percentage of profit before tax for the pension fund on the lines of post-retirement medical scheme CPRMSE (guidelines of DPE).*

<u>Net Profit of CIL during last 5 years (Rs. Crores):</u>	
Financial Year	Net Profit
2023-2024	37,402
2022-2023	31,173
2021-2022	17,378
2020-2021	12,702
2019-2020	16,700

**c) Strengthening the corpus fund**

**(i) Actual increment in place of Notional increment of employees**

In place of Notional increment, let CIL and SCCL transfer the actual annual increment of employees year on year from 1/7/95 to 30/9/2017 on actual basis. This could fetch more than Rs 10000 crore which may strengthen pension fund.

**(ii) Transfer of 9.84% of salary of on roll non-executive employees (as on 31-12-2006) to CMPS-1998 corpus fund**

It is suggested that matching 9.84% of salary of non-executive employees, who were on roll of the company as on 31/12/2006, be earmarked and transferred to CMPS-1998 corpus fund. This will add another Rs 20000 crore to CMPS-1998 corpus fund for ensuring sustainability.

**(iii) Executives joining on or after 1-1-2007 be allowed only New Pension Scheme with liabilities removed from CMPS-1998**

- Apart from pension under CMPS-1998, w.e.f. 1.1.2007 the Executives are covered by pension under NPS (with 9.84 % of salary as superannuation benefit). This NPS corpus is more than 2000 cr.
- This fund towards those in-service members, who have joined CIL/SCCL and other involved organizations before 31/12/2006, could be transferred to CMPS-1998.

***Comment:** As per CMPF Act & CMPS-1998, this may not be possible as it is mandatory for every employee to be covered by CMPS-1998. Since NPS is part of Executive Pay Revision approved by the President of India such discrimination may not be possible.*

**(iv) Utilization of Suspense account fund blocked due to non-settlement of pension**

- Out of available pension fund corpus, about 3%-5% unclaimed amount is remaining idle
- Due to cumbersome process for starting widow pension, more than 10% spouses could not claim their legitimate CMPS pension
- Moreover, in Suspense account, due to non-settlement of pension, more than Rs 2000 crore is lying idle with CMPFO. It can be also utilized

**(v) Transfer of CMPF trust fund to CIL and SCCL to be managed by themselves which will minimize expenses on Administrative charges**

It is suggested to transfer of CMPF trust fund to CIL and SCCL to be managed by themselves which will minimize expenses on Administrative charges. This is another viable option as these companies can manage this fund.

**(vi) Contractor workers with ensured minimum wages be mandatorily covered under CMPS-1998**

Real count of contractor workers should be taken and they should be mandatorily covered under CMPS-1998. Minimum wages should be as per High power committee recommendations.

All these suggested measures could yield a one-time increase of pension fund by Rs 30000 crores from the present Rs 13000 crores.