

राष्ट्रीय खान मजदूर फेडरेशन (इंटुक)



INDIAN NATIONAL MINeworkers' FEDERATION (INTUC)

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13.04.2017.

6/212

Sri Sutirtha Bhattacharya,
Chairman – Coal India Ltd.,
Coal Bhawan, Premises No.4,
Plot No. AF-III, Action Area-1A,
New Town, Rajarhat,
Kolkata – 700 156.

Sri B.K. Panda,
The Commissioner,
Coal Mines Provident Fund Organisation
Dhanbad.

Sub.1 : Rationalisation / Revision of CMPF Act, 1948 / CMPS-1998.

Ref : (i) RND of 9th Meeting of Standardization Committee of JBCCI-IX held on 27.01.2015 at New Delhi.
(My letter No. 6/89 dated 14.03.2015 to D(P&IR) CIL, Kolkata marked Most Urgent).

Sub.2 (ii) Note of Discussions held in 14th Meeting of Standardization Committee of JBCCI-IX on 28th June, 2016 at New Delhi.

- My letter No. 6/241 dated 30.06.2016 jointly addressed to D(P&IR), CIL and Commissioner, CMPFO, Dhanbad.
- Reminder vide letter No. 6/284 dated 25.07.2016 to jointly addressed to D(P&IR), CIL and Commissioner, CMPFO, Dhanbad.
- My letter No. 6/312 dated 18.08.2016 jointly addressed to to D(P&IR), CIL and D(P&IR), SCCL, Hyderabad about deduction of PF on Leave Encashment.
- My letter No. 6/333 dated 07.09.2016 jointly addressed to D(P&IR), CIL and Commissioner, CMPFO, Dhanbad about CMPS-1998.
- My reminder No. 6/376 dated 15.10.2016 about CMPS-1998 and Deduction of PF on Leave Encashment jointly addressed to D(P&IR) CIL, Kolkata and Commissioner, CMPFO, Dhanbad.

(iii) My last letter No. 6/384 dated 05.11.2016

(iv) My reminder No. 6/400 dated 01.12.2016.

Dear Sir(s),

(1) With reference to above the contents of RND of 9th Meeting of Standardization Committee of JBCCI-IX held on 27.01.2015 at New Delhi and Note of Discussions held in 14th Meeting of Standardization Committee of JBCCI-IX on 28th June, 2016 at New Delhi still remains inconclusive, despite reminders to CIL and CMPFO. The matter was further taken up by JBCCI-X through a Sub Committee on Pension, constituted vide notice dated 26th December, 2016 and first meeting of Sub Committee on Pension conducted on 4th January, 2017 probably at Kolkata. Despite frequent letters no further information has been given to the INMF (INTUC).

Needless to add that INMF (INTUC) since 2013-14 has been striving hard to rationalise enforcement of **CMPF Act, 1948** and **CMPS-1998** including extending coverage of **Contractor and Captive Coal Workers** with added initiative to suggest ways and means to **Inflate Corpus** to make the pension scheme sustainable lifelong **Rationalise Pension Benefits** did not yield any positive result. Based on our persuasion, the CIL has provided Members of Standardization Committee of **JBCCI-IX** reports of actuary regarding sustainability of CMPS-1998 which was deliberated upon at length. **CMPFO** vide their communications **No. 356/2798 dated 2nd August, 2015** and letter **No. 288/3109 dated 08.09.2015** had responded to our various suggestions on inflating the corpus and rationalising the scheme.

Despite inbuilt provision for review of the CMPS-1998 every 3 years, it is stagnant for about two decades now, mainly due to lack of coordinating action by CIL between the stake-holders including Ministry of Coal, its Secretary being Chairman of CMPF Board of Trustees and CIL – D(P&IR) invariably being its Member and CMPFO as its Ex-officio Member Secretary. The INMF (INTUC) is of firm view that scheme cannot be made sustainable till urgent measures are taken to inflate corpus including Imposing **Cess to be Levied on per Tonne of Coal Dispatch** as it was in vogue during erstwhile “**Coal Mines Labour Welfare Organisation (CMLWO)**” under the Ministry of Labour, Government of India. Measures to inflate corpus and suggestions to rationalise the scheme / benefit are reproduced below:-

2.A. OTHER MEASURES TO INFLATE CORPUS

- i) Against 1.16 + 1.16 of PF – able salary getting diverted towards CMPS 1998, the Central Govt. contributes 1.67% limited to Rs.1600/- salary which comes to Rs.27/- per month only since the year 1971. Either ceiling be removed or it should be enhanced to Rs.6500/- - Rs.10,000/- as in case of EPFO.
- ii) (a) The Coal Companies divert an amount equal to one increment at the rate prevailing on 01.07.1995, which may be enhanced to an amount equivalent to employee's current rate of increment.
(b) Similar contribution being made by employees appointed on or after 01.07.1995 should also be borne by the Coal Companies.
- iii) The CMPF Board of Trustees should be rationalize the “Profile of Investment” to attract maximum interest / benefit with full security of the invested amount.
- iv) Corpus of Rs.200 Crores (Approx.) lying in Deposit Linked Insurance (DLI) A/c which is not applicable today to employees (Both Executives and Non-Executives) may be diverted to Pension Fund under CMPS-1998.
- v) Workers working in captive Coal Mines of Captive Block may also be made Members of CMPF & CMPS-1998 compulsorily.
- vi) The permanent and perennial nature of job in coal Industry got substituted by deployment of outsourced / contractual / agency workers and CIL as largest corporate “Principal Employer” failed to enforce such workers as members of CMPF / CMPS despite clear circular issued by CIL, (DP&IR) vide **letter dated 26th March, 2004**. It should be enforced vigorously now in line with **HPC Report / CIL Office Order dated 18th February, 2013** effective from **01.01.2013**.
- vii) Ceiling of Basic Pay for Govt. share should be removed and revised in line with EPFO.

B. SUGGESTIONS ABOUT SCHEME / BENEFIT

- i) The CMPS 1998 needs certain rationalization particularly in removing disparity in contribution / benefit by the employees. Against unequal contribution they get equal pension i.e. 10 months average of notional salary (Basic + Dearness Allowance only) and not the PF – able salary. There is large variation in salaries of coal workers in various categories such as Time Rates – Monthly Rated and Piece Rate and they are required to divert 1.16 of PF – able salary whereas, pension is computed on 10 months average of notional salary.
- ii) Pro-rata increase in percentage of Pension Rate for those who serve for more than 30 years of pensionable service. As per present provisions, 25% monthly pension is paid on completion of 30 years of pensionable service and if the pensionable service is less than 30 years, pro-rata decrease in percentage of monthly pension is applied.
- iii) Provision should be made in CMPS-98 for pension to handicapped / mentally retarded children.
- iv) Due to lack of any upward revision under CMPD every 3 years a wide gap has been created between employees / members retiring before 2005-2006-2007 and those retiring thereafter. The disparity is glaring from Category-1 Mazdoor to CMD / Directors of Subsidiaries as well as CIL. Some special arrangement be made to ensure that the old retirees in their scale / grade shall not draw pension lower than the **50%** of the pension by the current retirees on putting pensionable service of 30 years.
- v) As pension under CMPS-98 is not linked to cost of price / Living Index, the value of Rupees in 1998 has sharply declined due to depreciation and inflation. It should be linked accordingly to neutralize rise in cost of price / living index.
- vi) To withdraw notification dt. 4th March, 2011 (Office Order No.18 of 2011) by Commissioner, CMPFO.

C. PENSIONER'S BODIES :

In addition to above, various Pensioners Bodies operating in Coalfield Areas have also been ventilating grievances / suggestions towards improvement and sustainability of Scheme. Few of the Bodies are appended below:-

- (i) Sri J.N. Singh, President, Federation of Coal Industry Retired Employees Association, 104, Umashanti Apartments, Kanke Road, Ranchi (Jharkhand). Mob. 09431129355/07250844888, Email ID : jnsingh15@yahoo.com
- (ii) Sri J.N. Ghosh, Convenor, All India Co-ordination Committee of Coal Pensioners & Retired Employees Association, Bansra Hospital More, PO Searsole Rajbari, Dist. Burdwan, West Bengal. (Mob. 09434731095). Email: cassociation88@gmail.com / gscmpwa@gmail.com
- (iii) Sri Dattatreyyulu Jammalamadaka, General Secretary, Singareni Retired Officers' Association, Hyderabad. (Mob.09701515875), Email: jdattatreyyulu@hotmail.com
- (iv) Sri M.N. Reddy, General Secretary, Telangana All Pensioners' & Retired Persons Association, Chikkadapally, Hyderabad. (Mob. 09441284852), Email ID: manda.mandanarasimhareddy@gaim.com
- (v) Sri S.L. Yadav, President, Coal India Sewa Niwrat Karmachari Sangh Samittee, Ghorawari Dist. Chhindwara (MP). (Mob. 07581896798), Email: sl.yadav41@gmail.com

- (vi) Sri N.C. Mazumder, General Secretary, Coal Mines Pension Holders' Association, Ananda Para, PO : Margherita, Dist. Tinsukia (Assam) (Mobile – 09435133132), Email: nmazumder44@gmail.com

3. During **JBCCI-X Sub-Committee on wage revision** meeting at New Delhi on 7th & 8th April 2017, a copy of Position as on 31.03.2016 (Rs. In Crore) from **Sarkar Gurumurthy & Associates** was placed which concludes that there is no “**CAUSE OF CONCERN**” at present. The status has created confusion whether Corpus is sustainable or needs inflation?

In this connection, I am appending below “Sustainability Approach” as deliberated upon in JBCCI-IX Standardization Committee meetings in presence of CMPFO authorities which are based on various actuary reports marked A, B, C & D.

I. Actuary Report 'A':

Sustainability approach as on:

1.	Past Service Liability in respect of Active Members.	Rs.15490 crores.
2.	Liability in Respect of Current Beneficiaries	Rs. 6029 crores.
3.	Total Accrued Liability	Rs. 21519 crores.
4.	Existing Assets	Rs. 6100 crores.
5.	Deficit	Rs. 15419 crores.
6.	Total Service Liability in respect of Active Members.	Rs. 18415 crores.
7.	Estimated Effective contribution rate	Rs. 18415 crores.

II. Actuary Report 'B':

As on 31.03.2013 :

Total Accrued Liability	Rs. 41,161.25 crores.
Assets	Rs. 14,819.46 crores.
Value of Current Contribution	Rs. 6,643.21 crores.
Deficit	Rs. 26,341.79 crores.
Future Contribution Rate Required	19.46 %
Existing Contribution	4.91 %
Additional Contribution	14.55 %

III. BOT of CMPF Appointed Actuary – Report awaited:

IV. CMPFO'S RECOMMENDATIONS FOR SUSTAINABILITY OF PENSION FUND:

- (I) Determination of Deficit in Pension Fund as on date is under process.
- (II) Pension Contribution is to be increased @ 6% subject to as per actuarial evaluation.
- (III) Upper Ceiling on Pension to be fixed.
- (IV) Investment to be aimed for greater earnings.
- (V) Average amendment to be calculated from last 60 month salary vice 10 months.
- (VI) CMPS 98 to be amended to scrap certain Paras like 15(1)b,15(1)c,11&13.

From the above it may kindly be observed that the concerned Agencies still lack concerted view and sustainability approach to rationalise the long pending Pension Benefit and making it long term sustainable proposition. I am addressing this joint letter with copy endorsed to members of JBCCI-X Sub Committee on Pension (4 CTU) to secure and consolidate detailed factual appraisal towards sustainable approach before coming to any recommendation / conclusion. To INMF (INTUC)'s perception, the earlier system of levying **Cess** on removal of overburden, PCM production / dispatch of coal, per tonne needs to be restored besides other measures.

Thanking you,

Yours truly,


(S.Q. Zama)

Secretary General

Cc.to: PS to Secretary – MOC – New Delhi.

D(P&IR), CIL, Kolkata.

D (P) – SCCL, Hyderabad.

Cc.to: Dr. G. Sanjeeva Reddy, President, INTUC, New Delhi.

Sri Rajendra Prasad Singh, President, INMF (INTUC) Camp: Bermo.

Sri Ramendra Kumar, General Secretary, IMWF (AITUC)

Dr. B.K. Rai, President – ABKMS (BMS) -

Sri Nathulal Pandey, President – HKMF (HMS).

Sri D.D. Ramanandan, GS, AICWF (CITU)

All Pensioners Bodies as above.