



ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

(Regd. under The Trade Union Act 1926; Regd. No. 546 / 2016)

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AIACE/CENTRAL/2018/50

Dated -- 4 /8/2018

To

The Chairman

Coal India Ltd, Kolkata.

SUB:- Refund of the amount of NPS (CIL Executives Defined contributory pension scheme) to the retired executives concerned /spouse of deceased executives or to the legal heir in the event of death of both the beneficiaries.

Dear Sir,

All India Association of Coal Executives (AIACE) , a trade union of both retired and serving Executives of CIL/SCCL/NLC extends warm greeting and gratitude for having adopted the National Pension Scheme as an additional benefit in Coal India Limited in the Pay Revision made effective from 1.1.2007.

We earnestly believe that the said scheme was adopted by CIL with a pious purpose of augmenting the source of Income during the retired life of the Executives and true to this spirit in mind, the Company had appropriated the amount so fixed for this purpose and now published the same in the Website of the Company.

Please accept our congratulation for the promptness and transparency in the matter, so far.

However, it is being heard that CIL is going to appoint LIC(Life Insurance Company) as the authority to handle this huge amount of the earnings of CIL Executives for materializing the process of disbursement of pension under the NPS envisaged as an additional Benefit.

In this context, we feel relevant and appropriate to point out that appointment of any outside agency for handling the said amount will call for the burden of payment of handling charges to that agency either from the profit of the CIL or from the share of our provisioned amount. The CIL executives will be bound to be governed by the rules and regulations of that organization.

Naturally, any agency will not take up the onus of Management or handling of any job without an element of profit, which is certain to be derived from the deposits of Executives' share .

Further considering the smallness of the amount earned by executives retired immediately after the effective date of this scheme, the accumulated amount of such

executives is far less than Rupees one lakh and the pensionary benefit is likely to be meager. The troubles to avail the benefit by the aged or sick or physically incapable executives, both the disbursing agency and the beneficiary are not likely to be very comfortable with such an arrangement. Returning of the Corpus amount will also be another big question mark in the absence of the direct beneficiaries.

In addition to the above there are other innumerable problems that may come in between the scheme and actually reaching its benefit in the desired manner if it is handled by an agency other than CIL, which may be discussed eventually.

So far as the case of working executives, it may be thought over properly and it should be added to the contribution of CMPS for enhancement of pension appropriately with proper discussion with CMPF Authorities as they are handling our pension scheme to avoid a second agency to handle the case with additional cost, process and formalities. In this regard, this point should be elaborated separately and the pros and cons is to be discussed in detail before appointment of another agency.

Therefore, AIACE advocates for refund of the amount of NPS appropriated head wise and demand that it should be paid directly to the retired executives concerned /spouse of deceased employees or to the legal heir in the event of death of both the beneficiaries to avoid avoidable expenses on the overheads of administration of the an altogether new scheme. The formulation of scheme and appointment of such an agency is likely to take uncertain time.

This will also take care of the hurdles and processes through which the beneficiary/spouse/legal heir will have to undergo as well as will limit the burden on CIL on the liability of interest on the principal amount, as it will accrue till a method is evolved, apart from the administrative arrangements and payable costs for administering and managing the outside agency. Further, investments with any financial institution of the amount of NPS without the direct involvement of the real owner of the amount in our opinion is not going to reap the benefit as envisaged. The beneficiaries will also have to undergo untold miseries and as a result CIL will also have to come in between for redressal of grievances.

Another point to which attention is drawn is that today's executives in active services including the decision makers will also become past employees one day. Therefore the problems which will be faced by today will remain so tomorrow also.

In order to reach the amount to the beneficiaries, when it is actually required during their lifetime, who are old and for many of them money is badly required for discharge of many domestic responsibilities and medical treatment etc., direct repayment of the amount to the executives retired is desirable, till formulation of a hassle free scheme convenient and beneficial for tomorrow is framed and implemented.

It is there, requested to consider our above issues before taking any decision to go with LIC to manage the huge fund of CIL **Executives Defined contributory pension scheme.**

It is also requested to include representatives from AIACE in appropriate numbers in the to be formed TRUST for managing the fund because AIACE is the single validly registered trade union having membership base of serving and retired executives both.

Regards,



P K SINGH RATHOR

Principal General Secretary

CC-

**The Hon'ble Minister of Railway and Coal, Govt of India ,New Delhi
The Coal Secretary, Govt of India, New Delhi.**

DP/DF/DT/DM, Coal India Ltd, Kolkata.

CMD/DP/DF/DT, ECL/BCCL/CCL/CMPDIL/NCL/ECL/WCLMCL