



ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

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

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AIACE/CENTRAL/2018/88

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To

The Secretary
Ministry of Coal
Shashtri Bhavan
NEW DELHI - 110 001

Sub: Seeking appointment for meeting with representatives of All India Association of Coal Executives(AIACE) on the issues of working executives and of revision of pension under Coal Mines Pension Scheme 1998 (CPMS 1998).

Dear Sir,

All India Association of Coal Executives(AIACE) is an association of serving and retired executives of CIL and SCCL and registered under The Trade union Act 1926.It has membership from E1 level working executives to board level retired executives.

The working executives are fully committed to ensure energy security by producing targeted coal to fulfill the desire of Hon'ble Sri Narendra Modi Jee,Prime- Minister for providing affordable power to all citizens of our country. In spite of putting all efforts, some of genuine issues of executives have not been resolved like Maharatna pay scale, enhancement of pension to old retirees , post retirement medical facility and implementation of NPS(CIL defined contribution pension scheme),creation of E9 grade in CIL and others.

Further, our association wants to draw your kind attention towards the plight of coal pensioners covered under Coal Mines Pension Scheme 1998 (CMPS 1998). The scheme was framed under Coal Mines Provident Fund & Miscellaneous Provisions Act 1948 is in the nature of a "defined benefit" plan comparable with Employee Pension Scheme 1995 (EPS1995) framed under Employee Provident Fund Act, 1952.The CMPS1998 has been implemented wef 1/4/1994 and those who retired before April'1994 are not covered. At the time of implementation of scheme total permanent manpower of CIL and SCCL was about 8.5 lakh which has reduced to about 3.70 lakh due to outsourcing of mining activities. The reduction in permanent manpower has resulted in substantial reduction in contribution to the pension fund. All contractors's workers are also not covered under CMPS1998.

Though there is a provision in the scheme for review every 3 years and increasing pensionary benefits based on actuarial valuation, there was no revision of pension since inception of the scheme 20 years ago.

As a result there are a large number of coal pensioners getting a meagre pension of Rs.350/- per month or even less, depending on their pensionable service. In CMPS 1998 , the formula for computing the employer's and employee's contributions is defined and known in advance and so is the benefit to be paid out. The pension in CMPS 1998 is calculated at @25% of last ten months average salary of the employee without any upper limit. .The present pensioners under the same scheme are enjoying substantial pensionary benefits owing to periodic pay revisions in comparison to those who retired before 2007 and 1997.Pay revision with effect from

01.01.1997 and 01.01.2007 for executives and with effect from 01.07.2001, 01.07.2006, 01.07.2011 and 01.07.2016 for non-executives have contributed to ever increasing pension outgo without any limit/cap, draining the fund with its dwindling membership. This has also created an anomalous situation between old retirees and new retirees with the minimum guaranteed pension at Rs.350/- per month while the maximum pension of a senior level executive exceeds Rs.35000/- per month more than 100 times the minimum pension.

It is to bring to your kind notice that the pay revision from 01.01.2007 for executives of coal industry and the consequent pensionary benefits to the retirees after the cut off date of 1/1/2017 has made the pension of earlier pensioners ridiculously low and insignificant as the pay revision from 01.01.2007 for executives has provided an additional 9.84% of (basic + DA) as 'superannuation benefits' to the executives on roll as on 01.01.2007 over and above their contribution to the CMPF and CMPS.

Last but not the least, while leading a healthy retired life is a boon for government pensioners with their ever increasing pensions indexed with cost of living and also linked to the periodic pay revisions, it has become a curse for most of the 4.0 lakh pensioners under CMPS 1998 with a pension fixed at the time of retirement continuing to be paid without any enhancement for any number of years the pensioner is alive.

In the light of the above facts, it is requested to protect the interests of pensioners of Indian coal mining industry by maintaining parity between the old and new retirees under the pension scheme so that the pensioners can live a life with dignity and honor in their sunset years. This can be done by revising the pension scheme(CMPS 1998) so that no old retiree of the Coal Industry would get less than 50% of the pension which a present retiree gets after his retirement from the same Post/Grade.

The representative of AIACE including ex chairman, CMD, directors of CIL/SCCL wish to meet you personally in Delhi as per your convenience to apprise the issues concerning all executives.

We request you to spare some of your valuable time from your busy schedule to meet us so that we may put our issues before you.

Anticipating communication from your end at the earliest.

Regards,



P K SINGH RATHOR

Principal General Secretary