ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)
(Regd. Under the Trade Union Act, 1926; Regd. No. 546 / 2016)
302, Block No. 304, Ram Krishna Enclave, Nutan Chowk, Sarkanda; Bilaspur (CG)
Website: www.aiace.co.in; E-mail : centralaiace@gmail.com ; Ph. 9907434051

Ref No. ***AIACE/CENTRAL/2025 / 019*** ***Dated 3.4.2025***

To
Hon'ble Sri G. Kishan Reddy jee,
Hon'ble Union Minister for Coal and Mines,
Ministry of Coal, Govt of India,
New Delhi

Sub:- Thanks for allowing CIL to implement enhanced cess on coal in order to strengthen sustainability of Pension fund

Hon'ble Sir,

Kindly accept our heartiest complimentary thanks for allowing CIL to implement enhanced cess on coal from present Rs 10/- per tonne on non- Coking coal to Rs 20/- per tonne and Rs 10/Tonne on sale of Coking coal as reflected in its letter no. CIL:XI(D):4157/4156:2025: dated: 01.04.2025 to respective Listing Departments(s) of Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

We understand that this will go a long way in ensuring sustainability of dwindling status of Pension Fund for retired employees of coal sector. Hence, this decision needs to be applauded loudly as our twin associations AIACE and AICPA (All India Coal Pensioners' Association) had been advocating for this enhancement of cess.

AIACE team is continually revising its studies on this aspect. We had in the past submitted our studies showing Feasibility of Pension enhancement under Coal Mines Pension Scheme-1998 vide our letter no. AIACE/CENTRAL/2023 / 021 dated 4.5.2023 to Secy (Coal) and to Hon'ble Finance Minister, GOI vide letter no. AIACE/CENTRAL/2023 / 023 dated 6.5.2023.

Through all these letters, AIACE had suggested for this enhancement of cess based on selling price of coal, which for all time to come, will eliminate periodical enhancement of cess based on per tonne of coal production. The latest calculations based on this approach were submitted to Addl. Secy, MoC vide letter no. AIACE/CENTRAL/2025 / 017 dated 18.3.2025, a copy of which is again attached as enclosures.

Hence, we take this opportunity to request you to consider our suggestions to levy cess based on certain % (May be 0.5% to 1%). It has been shown in our latest suggestions, that present average selling price of coal is Rs 1685/- per ton, on the basis of which 1% of cess comes to below Rs 17/tonne.

In anticipation of acceptance of our views,

With Regards,

P K SINGH RATHOR
Principal General Secretary

Encl: As above

Copy to
Secretary
All members of BoT, CMPFO

ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)
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AIACE/CENTRAL/2025 / 017 ***Dated 18.3.2025***

To
Smt. Rupinder Brar,
Additional Secretary, Ministry of Coal
Government of India,
New Delhi.

Sub: Submission of Studies made by AIACE on Sustainability of Pension fund for enhancing pension under CMPS-1998

Respected Madam,

We wish to recall meeting held at Shastri Bhawan on 25-2-2025 with the representatives of AIACE/AICPA with you and Ms Santosh, DDG on the issue of sustainability of fund and enhancement of pension to retirees in coal sector under CMPS-1998.

In the meeting, we had submitted a print-out of a Power Point presentation on the above issue. AIACE/AICPA Team has done exhaustive research over the sustainability of pension fund and has come out with probable solution. We wish to submit the suggestions in the form of a brief report attached as annexure with this letter.

Our observations and suggestions in the said report are contained in the following Sections & Sub-sections:-

1. **ESTIMATION OF SURVIVING PENSIONERS AS IN 2024-25 FROM INCEPTION IN 1994 (Table-1)**
2. **PROPOSED PENSION ENHANCEMENT (Table- 2)**
3. **FUND AVAILABILITY FOR INTRODUCING PENSION ENHANCEMENT**
   - **3.i Status of Pension fund**
   - **3.ii Pension Fund flow position**
   - **3.iii CMPF Subscribers and Pensioners**
   - **3.iv CIL Coal Production over the years**
   - **3.v Calculated Inflow per CMPF Subscriber and Outflow per Pensioner**
   - **3.vi Present Average selling price of coal, Rs per tonne**
   - **3.vii Proposed Welfare cess % on Average selling price of coal as, 1% of sell price**
   - **3.viii Calculated Shortage/Surplus in Pension fund**
4. **ANALYSIS FOR FUND AVAILABILITY (Table-3)**

The analysis shows that from 2049-50 onwards, Pension fund will be in surplus. It implies that enhancement in Pension is possible and Surplus in pension fund can be also advanced by increasing welfare cess.

It is requested that our proposal may kindly be got examined by the experts from coal ministry or by hiring personnel from other professional organisations or Indian Statistical Institute.

We also request to invite us to present our view to the chairman and other BOT members of CMPFO.

We are confident that our study will be accepted with slight modification.

With Regards,

P. K. Singh Rathor
Convenor, AIACE/AICPA

Copy to:
The Coal Secy, Govt of India, New Delhi

Copy for kind information to
Sri G K Reddy, Hon'ble Minister of Coal, Govt of India.

SURVIVING PENSIONERS AND FEASIBILITY OF PENSION ENHANCEMENT

1. ESTIMATION OF SURVIVING PENSIONERS AS IN 2024-25

The present lot of 6.06 lakhs (approx.) pensioners constitute of surviving pensioners over the years since 1994-1995. Considering the mortality rate among elders in India, the following Table-1 is obtained. (vide https://www.statista.com/statistics/1302846/india-mortality-rate-among-elderly-by-age-group/)

Table-1 Estimation of Pensioners Surviving in 2024-25

Pensioner joining in Year	No. of years of receiving pension (Years)	Age as in 2024-2025 (Years)	Mortality rate	Total Pensioners (Actual/Estimated) (No.)	Pensioners considered added in the year	Surviving Pensioners as in 2024-25 (No.)
1994-1995	30	90	99.99%	0	15000	1
1995-1996	29	89	99.97%	15440	440	1
1996-1997	28	88	99.95%	15892	452	1
1997-1998	27	87	99%	16358	466	5
1998-1999	26	86	98%	16837	479	10
1999-2000	25	85	97%	17330	493	15
2000-2001	24	84	96%	17838	508	20
2001-2002	23	83	95%	18361	523	26
2002-2003	22	82	93%	18899	538	38
2003-2004	21	81	90%	19453	554	55
2004-2005	20	80	87%	20023	570	74
2005-2006	19	79	86%	20609	587	82
2006-2007	18	78	85%	21213	604	91
2007-2008	17	77	80%	375000 (A huge number of left out pensioners were added due to updation/correction)	353787	70757
2008-2009	16	76	70%	385988	10988	3296
2009-2010	15	75	60%	397297	11309	4524
2010-2011	14	74	50%	408938	11641	5820
2011-2012	13	73	40%	420920	11982	7189
2012-2013	12	72	35%	433253	12333	8016
2013-2014	11	71	30%	445947	12694	8886
2014-2015	10	70	25%	459013	13066	9800
2015-2016	9	69	20%	472462	13449	10759
2016-2017	8	68	17%	486305	13843	11490
2017-2018	7	67	13%	500554	14249	12396
2018-2019	6	66	10%	519000	18446	16601
2019-2020	5	65	8%	535000	16000	14720
2020-2021	4	64	6%	550000	15000	14100
2021-2022	3	63	4%	566000	16000	15360
2022-2023	2	62	2%	606000	40000	39200
2023-2024	1	61	1%	623756	17756	17578
2024-2025	0	60	----	642032	18276	18276
Total					**642032**	**214135**

In above table, it is seen that in the year 1994-1995, there were estimated 15000 out of which at an age of 90 years in 2024-25, a total of 1 pensioner is estimated to be still surviving, onsidering a mortality rate of 99.99%. Thus, this 1 pensioner is still estimated to be alive 30 years after 1994-95 and eligible for pension enhancement.

Thereafter, next year in 1995-96, there were 15440 pensioners which means that 440 pensioners were added during this year. Out of these 440 pensioners added in 1995-96, considering the respective mortality rate of 99.97% at an age of 89 years in 2024-25, there is 1 pensioner estimated to be alive 29 years after 1995-96 and eligible for pension enhancement.

Similarly, surviving pensioners for all the subsequent years till 2024-25 have been estimated.

2. PROPOSED PENSION ENHANCEMENT

Table-2 Fund Required for Estimated Number of surviving Pensioners from 1994-1995 till the year 2024-2025

Pensioner joining in Year	Surviving Pensioners as in 2024-25 (No.)	Per month Envisaged Average enhancement in pension per pensioner (Rs)	Per annum amount for pension enhancement (Rs in Crores)
1994-1995	1	32000	0.06
1995-1996	1	32000	0.04
1996-1997	1	32000	0.04
1997-1998	5	32000	0.18
1998-1999	10	32000	0.37
1999-2000	15	16000	0.28
2000-2001	20	16000	0.39
2001-2002	26	16000	0.50
2002-2003	38	16000	0.72
2003-2004	55	16000	1.06
2004-2005	74	8000	0.71
2005-2006	82	8000	0.79
2006-2007	91	8000	0.87
2007-2008	70757	8000	679.27
2008-2009	3296	8000	31.64
2009-2010	4524	4000	21.71
2010-2011	5820	4000	27.94
2011-2012	7189	4000	34.51
2012-2013	8016	4000	38.48
2013-2014	8886	4000	42.65
2014-2015	9800	2000	23.52
2015-2016	10759	2000	25.82
2016-2017	11490	2000	27.58
2017-2018	12396	2000	29.75
2018-2019	16601	2000	39.84
2019-2020	14720	1000	17.66
2020-2021	14100	1000	16.92
2021-2022	15360	1000	18.43
2022-2023	39200	1000	47.04
2023-2024	17578	1000	21.09
2024-2025	18276	----	----
Total	**214135**		**1150.00**

Referring to the Table-2 above, it is proposed to allow fixed pension enhancement, at a varying rate. Pensioners retiring in current year 2024-2025 will not be allowed any enhancement in pension. Thereafter, proceeding backward, pensioners retiring in first 5 years ie 2023-24, 2022-23, 2021-22, 2020-21 and 2019-20 will be grouped in Group-1 and allowed an average enhancement, per pensioner, of Rs 1000 only. Further moving backward, the pensioners are proposed to have an enhancement of Rs 2000 only and this enhancement further progresses in Geometric Progression as shown in the table above. All this exercise will incur a burden of Rs 1150 cr per annum approximately in the current year FY 2024-25.

3. FUND AVAILABILITY FOR INTRODUCING PENSION ENHANCEMENT

With the following considerations, the analysis chart showing Pension Inflow & Outflow, to investigate Surplus/Shortage in fund, is prepared as shown in Table-3.

Column-1, Table-3 tabulates FYs from year 2018-19 to 2055-56

3.i Status of Pension fund

In 2018-19, 19-20 and 20-21, surplus in pension fund was observed as the pension contribution was revised with effect from 01.10.2017, as shown in table below.

3.ii Pension Fund flow position

Financial Year	Yearly inflow (Rs. In crore)	Yearly outflow (Rs. In crore)
2017-18	1031	2459.81
2018-19	3084.12	2842.29
2019-20	3519.14	3369.57
2020-21	4520.14	3831.54
2021-22	4187.82	4449.74

https://loksabha.nic.in/Questions/QResult15.aspx?qref=46819&lsno=17

3.iii CMPF Subscribers and Pensioners

Year	CMPF Subscribers (Approx. in Lakhs)	Number of Pensioners (Approx. in Lakhs)	Yearly decrease of subscribers, %	Yearly increase of pensioners, %
2018-19 *	4.18	5.19	---	---
2019-20 **	4.00	5.35	4.31	3.08
2020-21 ***	3.90	5.50	2.50	2.80
2021-22 ****	3.72	5.66	4.62	2.91
Average Rate of change, %			**3.81**	**2.93**

Data Source :-

* https://coal.gov.in/sites/default/files/2019-11/chap1AnnualReport1819en.pdf
** https://coal.gov.in/sites/default/files/2020-09/Chapter1-en.pdf
*** https://coal.gov.in/sites/default/files/2021-03/chap1AnnualReport2021en.pdf
**** https://coal.gov.in/sites/default/files/2022-11/chap1AnnualReport2022en.pdf

Columns-2&3, Table-3 utilizes respective values of Average Rate of change in %.

3.iv CIL Coal Production over the years
https://coal.gov.in/en/major-statistics/production-and-supplies

Year	Million tonne	% Increase, (Yearly)	% Increase, (Average)
2014-15	494.23	---	5%
2015-16	538.75	9.01%	
2016-17	554.14	2.86%	
2017-18	567.37	2.39%	
2018-19	606.89	6.97%	
2019-20	602.13	-0.78%	
2020-21	596.22	-0.98%	
2021-22	622.63	4.43%	
2022-23	703.2	12.94%	
2023-24	773.64	10.02%	

Column-4, Table-3 utilizes the value of % increase of Average growth

3.v Calculated Inflow per CMPF Subscriber and Outflow per Pensioner

Year	Yearly Inflow per CMPF Subscriber	Yearly Outflow per Pensioner
2018-19	7378	5476
2019-20	8798	6298
2020-21	11590	6966
2021-22	11258	7862
Average Flow per person assumed to be constant over the years	**9756**	**6651**

Columns-5&6, Table-3 shows Yearly Outflow and Inflow from respective values of Average Flow per person

3.vi Present Average selling price of coal, Rs per tonne

In FY 2023-24, Coal India Limited (CIL) achieved its highest-ever net sales of ₹1,30,325.65 crore, with a production of 773.6 million tonnes (MTs).
Thus, we get Average selling price of coal, Rs per tonne as, 1685

Column-7, Table-3 utilizes this Average selling price of coal to determine cess

3.vii Proposed Welfare cess % on Average selling price of coal as, 1% of sell price

Column-7, Table-3 utilizes this % of welfare cess % on Average selling price of coal

3.viii Calculated Shortage/Surplus in Pension fund

Column-8, Table-3 add up Total outflow after which Column-9 shows that from 2049-50 onwards, Pension fund will be in surplus

It is concluded that enhancement in Pension is possible and Surplus in pension fund can be also advanced by increasing welfare cess.

Table- 3 ANALYSIS FOR FUND AVAILABILITY

Year	CMPF Subscribers, in Lakhs (Decrease rate 3.81%)	CMPS Pensioners, in Lakhs (Increase rate 2.93% but subject to condition that Subscribers + Pensioners are less than 10 lakhs in any year)	Coal Production in CIL, Million tonne, (Increase rate 5%)	Yearly Inflow to Pension Fund, Rs Cr (Per capita inflow multiplied by Total subscribers from 2023-24)	Yearly Outflow from Pension Fund, Rs Cr (Per capita inflow multiplied by Total pensioners from 2023-24)	Yearly Inflow of Welfare cess to Pension Fund, Rs Cr, @ Rs 10/te from 1-10-2017 and proposed 1% of selling price of coal from 2025-26	Yearly outflow to Pension Fund with proposed enhancement, Rs Cr (Increase rate in proportion to Pensioners strength from 2025-26)	Shortage / Surplus, if any Rs Cr
1	2	3	4	5	6	7	8	9
2018 - 19	4.18	5.19	567.37	1,031.00	2,459.81			
2019 - 20	4	5.35	606.89	3,084.12	2,842.29			
2020 - 21	3.91	5.5	602.13	3,519.14	3,369.57			
2021 - 22	3.72	5.66	596.22	4,520.14	3,831.54			
2022 - 23	3.64	6.06	622.63	4,187.82	4,449.74			
2023 - 24	3.50	6.24	703.2	3,415.97	4,148.51	703.20		
2024 - 25	3.37	6.63	773.64	3,285.91	4,410.69	773.64		
2025 - 26	3.24	6.76	813.90	3,160.81	4,495.97	1,371.15	1,082.00	36.00
2026 - 27	3.12	6.88	856.26	3,040.47	4,578.01	1,442.51	1,101.74	-95.02
2027 - 28	3.00	7.00	900.82	2,924.72	4,656.92	1,517.58	1,120.73	-214.62
2028 - 29	2.88	7.12	947.70	2,813.37	4,732.83	1,596.56	1,139.00	-322.90
2029 - 30	2.77	7.23	997.03	2,706.26	4,805.84	1,679.65	1,156.57	-419.94
2030 - 31	2.67	7.33	1048.91	2,603.22	4,876.08	1,767.07	1,173.48	-505.79
2031 - 32	2.57	7.43	1103.50	2,504.11	4,943.65	1,859.03	1,189.74	-580.50
2032 - 33	2.47	7.53	1160.93	2,408.78	5,008.64	1,955.78	1,205.38	-644.08
2033 - 34	2.38	7.62	1221.35	2,317.07	5,071.16	2,057.56	1,220.42	-696.52

1	2	3	4	5	6	7	8	9
2034 - 35	2.28	7.72	1284.91	2,228.85	5,131.29	2,164.65	1,234.90	-737.79
2035 - 36	2.20	7.80	1351.78	2,144.00	5,189.14	2,277.30	1,248.82	-767.84
2036 - 37	2.11	7.89	1422.13	2,062.37	5,244.79	2,395.82	1,262.21	-786.60
2037 - 38	2.03	7.97	1496.14	1,983.85	5,298.31	2,520.50	1,275.09	-793.96
2038 - 39	1.96	8.04	1574.01	1,908.32	5,349.80	2,651.68	1,287.48	-789.80
2039 - 40	1.88	8.12	1655.92	1,835.67	5,399.33	2,789.68	1,299.40	-773.99
2040 - 41	1.81	8.19	1742.10	1,765.78	5,446.98	2,934.86	1,310.87	-746.33
2041 - 42	1.74	8.26	1832.77	1,698.56	5,492.80	3,087.60	1,321.90	-706.65
2042 - 43	1.67	8.33	1928.15	1,633.89	5,536.89	3,248.29	1,332.51	-654.72
2043 - 44	1.61	8.39	2028.50	1,571.68	5,579.29	3,417.34	1,342.71	-590.28
2044 - 45	1.55	8.45	2134.07	1,511.85	5,620.09	3,595.18	1,352.53	-513.06
2045 - 46	1.49	8.51	2245.13	1,454.29	5,659.32	3,782.29	1,361.97	-422.75
2046 - 47	1.43	8.57	2361.97	1,398.92	5,697.07	3,979.13	1,371.06	-319.02
2047 - 48	1.38	8.62	2484.89	1,345.66	5,733.38	4,186.21	1,379.79	-201.50
2048 - 49	1.33	8.67	2614.22	1,294.43	5,768.30	4,404.08	1,388.20	-69.80
2049 - 50	1.28	8.72	2750.27	1,245.15	5,801.90	4,633.28	1,396.28	76.52
2050 - 51	1.23	8.77	2893.40	1,197.74	5,834.21	4,874.41	1,404.06	237.93
2051 - 52	1.18	8.82	3043.98	1,152.14	5,865.30	5,128.08	1,411.54	414.92
2052 - 53	1.14	8.86	3202.40	1,108.28	5,895.20	5,394.96	1,418.74	608.04
2053 - 54	1.09	8.91	3369.06	1,066.08	5,923.97	5,675.73	1,425.66	817.85
2054 - 55	1.05	8.95	3544.39	1,025.49	5,951.64	5,971.12	1,432.32	1,044.97
2055 - 56	1.01	8.99	3728.86	986.45	5,978.25	6,281.87	1,438.73	1,290.07