ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)
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Ref No. AIACE/CENTRAL/2025 / 067 **Dated 15.10.2025**

To
The Under Secretary,
CMPF Section, Ministry of Coal, Government of India,
Shastri Bhawan, New Delhi – 110001
Email: so-cmpf@gov.in

Sub: Comments & suggestions on the proposed CMPF&MP Bill, 2025

Dear Sir,

We may rightly take pride that AIACE and AICPA's relentless advocacy — through letters, memoranda, and continuous follow-up — has helped push this long-pending reform to the Government's active agenda.

Please find enclosed / attached our comments on the **official notification and draft bill** issued by the Ministry of Coal (F. No. 20011/2/2021-CMPF dated 8 October 2025).

There are total 66 sections, spread in 9 Chapters, along with 2 schedules on (i) Provident Fund and (ii) Pension scheme. We have restricted ourselves to comment on the Sections/Chapters and the 2 Schedules which are exclusively dealing with Pension Scheme and Pension Fund. These are,

- Sections 14 to 22 → Coal Mines Employees' Provident Fund & Pension Fund Schemes
- Sections 47 to 48 → Special Government Grants by Central Govt. & Employees Protection Fund
- Sections 65 to 66 → Special provisions & Repeal/Savings (transitional clauses)
- Schedule-I → Coal Mines and classes of employees to which the Act and its schemes apply
- Schedule-II→ Specifies the rates and conditions under the various provisions of Pension Scheme

Further, in Schedule-I, we have suggested to define "Equivalent Grade" Categories, to suitably accommodate migration to SGSP (Same Grade, Same Pension) as used in OROP (One Rank, One Pension) used for defence personnel. For introducing SGSP, an addendum to Schedule-II has been suggested to facilitate implementation of section 22(2) of the draft Bill, which speaks of a Pension scheme stating that, a Scheme framed under the provision of subsection 22(1) may provide for all or any of the matters provided in the Second Schedule. We have taken liberty to expand this Second schedule to ensure uniform pension for the same post or grade, irrespective of the date of retirement..

We sincerely believe that, simultaneous exercise must be undertaken to recast/restructure the CMPS-1998 Pension scheme, which will be the natural offshoot of New CMPF & MP Bill-2025. A timeline must be indicated for preparation and implementation of new Pension scheme under this new act. This will ensure introduction of a Dynamic Pension Scheme with built-in Dearness Relief (DR) linkage without requiring parliamentary amendment.

Thanking You,

(P. K. SINGH RATHOR)
Principal General Secretary

CC
1. Hon'ble Minister for Coal and Mines, Govt of India, New Delhi
2. The Secretary (Coal), Govt of India, New Delhi
3. Smt. Rupinder Brar, Addl Secy (Coal), Govt of India, New Delhi

Annexure – I

Chapter No.	Section No.	Bill Provisions	Our Comments/Suggestions
IV	14	"The Central Government may, by notification in the Official Gazette, frame a Scheme to be called the Coal Mines Employees Provident Fund Scheme for the establishment of a Provident Fund for employees and specify the manner in which the Fund shall be administered."	The Central Government may, by notification in the Official Gazette, frame a Scheme which must be called the Coal Mines Employees Provident Fund **and Pension** Scheme for the establishment of a Provident Fund for employees and specify the manner in which the Fund shall be administered. *Such flexibility can be strategically used to periodically revise pension factors and DR linkage without needing full legislative amendment. This enables **automatic inflation-indexing** or DR adjustments.*
IV	15	"Every employee shall become a member of the Fund from such date as may be specified in the Scheme and shall contribute to the Fund in accordance with its provisions."	Every employee of companies (Public or Private) engaged in production, beneficiation, marketing & sales of Coal and Coal products and other minerals shall mandatorily become a member of the Fund from such date as may be specified in the Scheme and shall contribute to the Fund in accordance with its provisions. *This mandatory coverage expands the number of contributors. A **wider pool of contributors** improves fund solvency and allows actuarial capacity to provide **higher periodic pension with DR**. Ensuring universal coverage also helps in transparent DR application.*
IV	16	"The employer and employee shall contribute to the Fund at such rates as may be prescribed under the Scheme, and such contributions shall be credited to the accounts of the employees."	The employer and employee shall contribute to the Fund at rates based on percentage basis of the salary of the individual member and such contributions shall be credited to the accounts of the employees. *The power to **revise contribution rates (if required)** must be spelt out and should be binding. This is critical for sustaining **enhanced pension benefits** and creating fiscal space for DR.*

Chapter No.	Section No.	Bill Provisions	Our Comments/Suggestions
IV	17	"An employee may, if he so desires, contribute to the Fund more than the rate prescribed, subject to such conditions as may be specified in the Scheme."	An employee may, if he so desires, contribute to the Fund more than the rate prescribed, shall do it only for Provident Fund and it will not be transferred to Pension Fund. This allows **voluntary top-ups**, enabling members to build larger retirement corpus for Provident Fund.
IV	18	"All contributions paid into the Fund and any interest thereon shall be deposited with such agency or authority as may be notified by the Central Government."	All contributions paid into the Fund and any interest thereon shall be deposited in schemes aligned with inflation-indexed instruments or are Government-backed schemes with such agency or authority as may be notified by the Central Government. Centralised deposit management facilitates **efficient investment strategies**. If aligned with inflation-indexed instruments or Government-backed schemes, this provides **a stable revenue stream for funding.**
IV	19	"The amount standing to the credit of a member shall be payable to him on the occurrence of such events as may be specified in the Scheme."	The amount standing to the credit of a member shall be payable, within 3 months, to him / her / spouse / nominee / legal heir on the occurrence of such events like death / resignation / VRS / dismissal / disablement etc. This provision enables timely payouts.
IV	20	"A member, who subscribes to the Provident Fund, may withdraw such amount and in such manner as may be specified in the Provident Fund Scheme from the total amount standing to his credit of the Fund."	A member, who subscribes to the Provident Fund, may withdraw maximum 50% of total accrued amount standing to his credit at a time, and not more than once in 5 years in entire service period for specified purposes like construction of First house, education of children, marriage of sons and daughters or immediate relative. While withdrawal flexibility is important, frequent early withdrawals reduce the corpus available. The Scheme rules should therefore incentivise keeping funds invested until superannuation.

Chapter No.	Section No.	Bill Provisions	Our Comments/Suggestions
IV	21	"The Board, in consultation with the Central Government, shall, by notification in the Official Gazette, frame a Scheme to be called the Coal Mines Employees' Pension Scheme providing for — (a) superannuation pension, retiring pension or permanent total disablement pension … (b) widow or widower pension, children pension or orphan pension and life assurance benefits … (c) payment of pension amount to nominees … and (d) administration of the Pension Fund." A Scheme framed under the provision of subsection (1) may provide for all or any of the matters provided in the Second Schedule.	This is the core enabling clause for pension design. The following provisions need to be incorporated in this section. *The Scheme may provide for uniform pension revision and parity among retirees of equivalent rank or grade, commonly referred to as Same Grade, Same Pension. A Scheme framed under the provision of subsection (1) may provide for all or any of the matters provided in the **Second Schedule proposed by us.*** *A timeline must be indicated in the act, when the CMPFO will notify, in Official Gazette, a new Coal Mines Employees' Pension Scheme. Moreover, the Act must specify Minimum payable pension linked with **Dearness Relief (DR)** in % of Basic pay fixed at the time of retirement. Because the scheme is framed by **notification**, it gives Government and CMPFO latitude to introduce **Dearness Relief (DR) or cost-of-living indexation** directly within the scheme rules. Adding an explicit sub-clause authorising periodic DR revision (tied to CPI or wage index) would institutionalise inflation protection and prevent ad-hoc increases.*
IV	22	"The Board, in consultation with the Central Government, shall establish the Coal Mines Employees Pension Fund … There shall be credited into the Pension Fund — (a) such sums as may be decided by the Central Govt payable as the employer's and employee's contributions; (b) such sums as the Central Govt may after due appropriation specify; (c) the net assets of the existing Pension Fund; and (d) any other contribution with Government approval."	*This section is vital for pension enhancement. Clause (b) explicitly allows **Governmental top-ups**, which can be structured as a **Dynamic Government Contribution (DGC)** indexed to average national wages or CPI. Such a mechanism can automatically fund **periodic DR increments** without separate budgetary sanction each year. Additionally, investing a part of the Fund in inflation-indexed securities will safeguard real pension value.*

Chapter No.	Section No.	Bill Provisions	Our Comments/Suggestions
IX	47	“The Central Government shall, after due appropriation made by Parliament by law in this behalf, pay such further sums as may be determined by it into the Family Pension Fund to meet all the expenses in connection with the administration of the Coal Mines Family Pension Scheme other than the expenses towards the cost of any benefits provided by or under the said Scheme.”	The Central Government shall, after due appropriation made by Parliament by law in this behalf, pay such further sums as may be determined by it into the Family Pension Fund to meet all the expenses in connection with the administration of the Coal Mines Family Pension Scheme other than the expenses towards the cost of any benefits provided by or under the said Scheme.
IX	48	“The Central Government shall, by notification, establish a fund to be called the Coal Mines Employees’ Protection Fund … There shall be credited into the Fund the amount of penalties or additional penalties imposed under this Act, interest on deposited amounts and such other amounts as may be credited by appropriation by law … The Fund shall be expended on such matters as may be prescribed.”	*This new welfare corpus can serve as a* ***stabilisation and dearness-relief reserve****. If its utilisation rules (to be “prescribed”) explicitly allow transfers to the Pension Fund during high-inflation years, it can cushion pensioners by temporarily funding DR increases or one-time relief payments.*
IX	65	“Any Provident Fund established under the repealed Act shall be deemed to be the Fund under this Act and all members thereof shall be members of the Fund established under this Act and all assets vest in the Board.”	*This ensures* ***continuity of existing members’ rights****. To support pension enhancement, transitional rules should mandate* ***re-calculation of pension entitlements under the new fund formula****, integrating future DR provisions so that older retirees are not left out of inflation-linked adjustments.*
IX	66	“The Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 is hereby repealed … Provided that such repeal shall not affect any right, obligation or liability accrued under the repealed enactment.” .	*The savings clause safeguards accrued benefits, but it should also explicitly state that* ***existing pensioners will continue to receive benefits with future DR revisions*** *notified under the new Act. Including a proviso affirming the* ***continuity and enhancement of pension with DR linkage*** *would prevent interpretational disputes.*

<table>
<tr><th colspan="2">THE FIRST SCHEDULE
(See sub- section (3) of section 14)

MATTERS TO BE PROVIDED FOR IN THE COALMINES EMPLOYEES' PROVIDENT FUND SCHEME</th></tr>
<tr><th>Salient Provisions in Draft Bill</th><th>Our Comments/Suggestions</th></tr>
<tr><td>Schedule I normally lists the Coal Mines and classes of employees to which the Act and its schemes apply.
It may include:
Names or categories of coal mines (underground / open-cast / washeries / offices)
Types of employees: permanent, contractual, clerical, managerial, etc.
Exceptions or special classes (for example, apprentices or part-time staff).</td><td>To define "Equivalent Grade" Categories, adding a new column or explanatory note is suggested as:

"For the purpose of pension determination, employees of the same grade, pay-band or category as notified by the Central Government shall be deemed to be of equivalent rank, irrespective of the date of retirement."</td></tr>
<tr><th colspan="2">THE SECOND SCHEDULE
(See sub-section (2) of section 21)

MATTERS TO BE PROVIDED FOR IN THE COAL MINES EMPLOYEES' PENSION SCHEME</th></tr>
<tr><th>Salient Provisions in Draft Bill</th><th>Our Comments/Suggestions</th></tr>
<tr><td>Schedule II usually specifies the rates and conditions under the various Schemes, such as:
Employer and employee contribution percentages
Pension calculation factors or formulas
Minimum and maximum benefit limits
Commutation, withdrawal, or family-pension percentages.</td><td>Suggestions for Implementation of SAME GRADE, SAME PENSION (SGSP) Concept for Coal Mine Pensioners

Policy Purpose

All retirees from the same post (Board Level, below Board level executives and Wage Board employees) , should get same pension, irrespective of their retirement year, thereby promoting fairness and social security for aged pensioners.

This would correct the wide pension disparity between those who retired before and after salary/wage revisions.

The followings are suggested:-</td></tr>
</table>

1. Adding a clause like below is suggested:-

The pension for any category or rank shall be determined with reference to the average of minimum and maximum pay of that category as applicable on the 1st July of each review year, and shall apply uniformly to all pensioners of that rank, past and present.

This will effectively codify SGSP **parity** by adopting the following process:

(i) Determine Current Representative Pay, assuming 80% of the pensioners are at the middle (it may vary) of the Pay Range = 50% of (Minimum Pay + Maximum Pay)
(ii) Determine Benchmark Pension = Presently, 25% of Current Representative Pay
(iii) Revise pensions of all retirees of the same post to the benchmark Pension
(iv) Allow annual adjustment with DA neutralisation every year.

2. Add Review and Dearness Relief Clause (Linked to SGSP)

Suggested addition at the end of Schedule II:

"The Central Government shall, at intervals not exceeding five years, or whenever a revision of wage or Dearness Allowance occurs, cause an actuarial re-determination of pension for each equivalent rank, ensuring parity of pension among all retirees of the same Grade (Same Grade Same Pension). Dearness Relief shall continue to be paid uniformly to all such pensioners."

Benefits:

- Embeds **automatic revision** cycles.
- Legally binds CMPFO to maintain parity.
- Integrates DR with SGSP adjustments.