



ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

SALIENT FEATURES OF COAL MINES PENSION SCHEME, 1998

1. G.S.R.123 (E) – In exercise of the powers conferred by section 3E of Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948) and in supersession of the Coal Mines Family Pension Scheme, 1971, the Government of India has formulated Coal Mines Pension Scheme, 1998. The Scheme came into effect from 31st March 1998.
2. ‘Average Emoluments’: It is the average of the notional salary payable to an employee for the last 10 months prior to retirement. Notional salary means monthly emoluments comprising of Basic Pay and Dearness Allowance payable to an employee notwithstanding the actual salary drawn for the month.
3. Definition of family in relation to an employee:
 - i. Spouse (Husband/Wife)
 - ii. Legally separated spouse
 - iii. Son who has not attained the age of 25 years (including adopted son)
 - iv. Unmarried daughter who has not attained the age of 25 years (including adopted daughter)
4. Pensionable service will be sum of the following:
 - i. Two thirds of the period of actual service rendered up to 31st March 1989
 - ii. Actual service rendered from 1st April 1989 or date of joining whichever is later

MONTHLY PENSION

1. On completion of 30 years of pensionable service and attaining the age of superannuation, employee will get pension till his/her death.

$$\text{PENSION} = 25\% \text{ of Average Emoluments}$$

2. An employee who has not completed 30 years of pensionable service but has completed 10 years of pensionable service on date of superannuation will receive pension calculated as under.

$$\text{Pensionable Service} \times 25\% \text{ of Average Emoluments}$$

3. An employee who has completed 10 years of pensionable service and would be attaining the age of superannuation within a period of 20 years opts to retire before superannuation will get pension determined as per Schedule-2 of the Scheme. This means that employees opting for VRS will get reduced pension.

REFUND OF CONTRIBUTION

Refund of contribution to the following categories of employees who have not completed 10 years of pensionable service will be determined based on Schedule-3

1. An employee who attains the age of superannuation
2. An employee who leaves the service
3. An employee whose services are terminated
4. An employee who has become disabled

DISABLEMENT PENSION

An employee, having completed 10 years of pensionable service, becomes permanently handicapped or disabled, will get pension @ 25% of average emoluments or a minimum of Rs.350 p.m.

WIDOW/WIDOWER PENSION

1. After the death of an employee his/her widow/widower will get widow/widower pension. If an employee has more than one legally wedded wife at the time of his death, all the widows will get an equal share of the widow pension. This pension will cease on death or remarriage of widow/widower.
2. The amount of widow/widower pension payable on death of the employee after the date of superannuation or retirement will be 60% of monthly pension paid to the employee.
3. If an employee dies in service widow/widower pension will be $66 \frac{2}{3}$ % of the pension based upon average emoluments on date of death.

CHILDREN PENSION

Along with widow/widower, 2 of the eldest sons or unmarried daughters will be entitled to children pension @ 25% of Widow/widower pension till they attain the age of 25 years or in case of unmarried daughters, till marriage whichever is earlier.

In case there is no surviving widow or widower at the time of the death of an employee, two of the eldest sons or unmarried daughters, as the case may be, till they attain the age

of twenty five years and in the case of unmarried daughter till the date of her marriage, whichever is earlier, shall be entitled for orphan pension in lieu of children pension @ 50% of Widow/widower pension.

ENHANCEMENT OF PENSION DUE TO PAY REVISION

The Pay scales of executives of Coal Industry were revised with effect from 1st January 2017 and the salary as per revised pay scales was paid from August 2018 with arrears being paid for the period January'17 to July '18. Many executives have retired in the intervening period and their Average Emolument has been calculated based on the old pay scales, resulting in less pension being paid to them. There is need for enhancement of pension based on revised Average Emoluments.

AIACE, after verifying the relevant data of all such affected pensioner-members, has made a representation to the Commissioner, Coal Mines Provident Organisation, Dhanbad, to enhance the pension and to pay arrears of pension immediately.

Source document: Coal Mines Pension Scheme, 1998 downloaded from the official website of Coal Mines Provident Fund Organisation

