



ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

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

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dated **22nd September, 2020**

To
Hon'ble Sri Narendra Modi Jee,
Honourable Prime Minister of India and Member of Parliament- Varanasi.

Subject: Misery of Pensioners in coal sector under (i) CMPS-1998 and (ii) CIL sponsored EDCPS-2007

Dear Sir,

We more than 200 retired executives along with 5000 families of coal pensioners of Coal India Ltd settled in Varanasi Loksabha constituency, are overwhelmed to find among us a talented, hard-working person representing our constituency in the Parliament who is also the beloved Hon'ble Prime Minister of our country. First of all kindly accept our heartiest felicitation for the commendable work being performed under your leadership. May the almighty shower his blessings to you for ushering a new era of reforms in India with continued support of citizens like us.

We may be permitted to take this opportunity, on behalf of retired employees of Coal Industry, to highlight the following 2 major issues requiring reforms for ending the plight of about 4.71 lakh coal pensioner spread across the country. Both these issues relate to Contributory Pension Schemes managed by 2 different Trusts constituted by Government of India under aegis of Ministry of Coal. The first Trust administers the Pension scheme, CMPS-1998, run by Coal Mines Provident Fund Organization (CMPFO) while the second Trust administers the Pension scheme Executive Defined Contributory Pension Scheme, EDCPS-2007 run by Coal India Ltd.

Improper, sluggish, mismanaged & inefficient functioning of these two Trusts need urgent interference of Government to put them on right track without any financial involvement of Government. The respective issues, related with functioning of these 2 Trusts, are as discussed below.

1. **Revision of Pension under Coal Mines Pension Scheme-1998**

Let us first discuss the functioning of a Trust created to manage the Pension Fund for all coal employees. After passing of an act in Parliament in the year 1948, we were fortunate enough that, 50 years later during the tenure of BJP-led government, a Pension scheme called Coal Mines Pension Scheme (CMPS-1998) was formulated by Coal Mines Provident Fund Organization under Ministry of Coal. Functioning of this pension scheme is administered by a Trust created for the purpose and the government restricted itself to the role of Guiding and monitoring only and envisaged suitable representative body called Board of Trustees (BOT) to manage the Trust. Although, government does not contribute to this pension fund, it has majority number of representatives in this BOT.

The involvement of government in this BOT could not ensure expected efficiency due to inefficient fund management as stated in various reports by CAG and the pension scheme became a ping-pong play between CMPFO and other stake holders like CIL and others. **This scheme was launched in 1998 and had provision for review every 3 years which was never done due to various reasons including abnormal delay in decision making process.** Each month, Rs 230 crore is paid as pensions while the inflow is Rs 280 crore. To further increase the inflow for enhancing the Pension, CMPFO Trust so far failed to obtain written concurrence of Coal India and other coal producers to levy a negligible cess which will impact a cost of less than 1 paisa on energy cost.

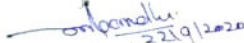
2. **Payment of Interest due to delayed finalization of CIL Executive Defined Contribution Pension Scheme-2007**

There is one more Trust created by Coal India Ltd. After the directive of central government, this Trust was set up to implement an Employees Defined Contributory Pension Scheme as envisaged in executive pay revision of 2007. CIL formed this Trust and finalized this scheme after 12 years. For this delayed implementation of scheme, the Trust failed to collect the entire interest component accrued against the Pension Fund corpus. While other PSUs have already disbursed the interest portion, the Trust formed by Coal India Ltd is still hesitant and indecisive as to how to proceed in the matter.

Thus, it can be easily understood that the above problems, created by these two Trusts, need an immediate redressal. The government is the nodal agency for overall supervision of these Trusts and can exercise its power to tighten their functioning.

Under the circumstances stated above, we are desperately compelled to seek emergent steps from your end for the earliest resolution of grievances. This small gesture will neutralize the forces which are bent up on tarnishing the image of government.

With regards,


(M. L. Gandhi)
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