

CHAPTER - VIII

COAL MINES PROVIDENT FUND AND OTHER SCHEMES

COAL MINES PROVIDENT FUND SCHEME, 1948

8.1 The Coal Mines Provident Fund Scheme framed under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 provides provident fund benefits to all employees of coal mines in India. The workers contribute to the Coal Mines Provident Fund at the rate of 12% of their emoluments and an equivalent amount is paid by the employers. Interest at the rate of 8 % per annum was allowed on the closing balance of PF of the previous year. The entire accumulations in the fund are invested in accordance with the guidelines laid down by the Ministry of Finance and Board of Trustees, CMPF. The fund vests in and is administered by a tripartite Board of Trustees consisting of representatives of employers, employees and Central/State Governments. The table below indicates the broad profile of the Scheme.

Particulars	2002-03 Actual	2003-2004 (upto Sept., 2003)	2004-05 Estimated
Number of Coal Mines/plants covered (as at the end of the year).	971	971	971
Number of live membership during the year (lakhs).	6.49	6.46	6.40
Contribution during the year (Rs. In crores) including voluntary contribution.	1758.82	900	1800.00
Rate of interest allowed to the members of the fund	9.00%	8.00%	8.00%
Advance during the year (Rs. In crores)	290.00	271.00	500.00
Refund of Provident Fund during the year (Rs. In crores).	1535.24	830.00	1800.00
(i) No. of cases settled (refund)	34189	13740	35000
(ii) No. of cases received (refund)	34440	15014	35000
Officers in position	43	40	38
Staff in position	1194	1172	1080

COAL MINES PENSION SCHEME, 1998

8.2 One of the most important landmarks in the history of Coal Mines Provident Fund Organisation is the introduction of Coal Mines Pension Scheme, 1998 which has been notified by the Central Government on 5th March, 1998, in exercise of the powers conferred by Section 3E of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948) and in supersession of the Coal Mines Family Pension Scheme, 1971.

8.3 The Coal Mines Pension Scheme has come into force with effect from the 31st day of March, 1998 and on that day its members were 7,82,578 working in different coal mines within the country. The highlights of the Scheme are :-

(i) Corpus of the Fund and its sustainability :

The Pension Fund consists of the following :-

- (a) Net assets of the Coal Mines Family Pension Scheme, 1971 as on the appointed day;
- (b) An amount equivalent to two and one-third percent of the salary of the employee, being the aggregate of equal shares of the employee and the employer from their respective contributions to the Fund, to be transferred from the appointed day from the Fund of employee ;
- (c) An amount equivalent to two percent of the salary of the employee from the first day of April, 1989 or the date of joining, whichever is later, upto the 31st day of March, 1996 and two percent of the notional salary of the employee from the 1st day of April, 1996 or the date of joining, whichever is later, to be transferred from his salary ;
- (d) An amount equivalent to one increment to be calculated on the basis of the salary of the employee as on the first day of July, 1995 or the date of joining, whichever is later, from the salary of the employee ;
- (e) An amount equivalent to one and two-third percent of the salary of the employee to be contributed by the Central Government from the appointed day ;
- (f) Amounts to be deposited by new optees in terms of the provisions of the Scheme.

The Commissioner is responsible for getting the valuation of the Pension Fund done every third year by an Actuary, to be appointed by the Board of Trustees.

(ii) Coverage :-

- (a) All employees who were members of the ceased Coal Mines Family Pension Scheme, 1971 and were on rolls on 31st March, 1998.
- (b) All such employees who are appointed on or after 31st march, 1998.

- (c) All such optee members who opted for membership of the Pension Fund in Form PS-1 and PS-2 as the case may be.

(iii) Benefits :-

- (a) Monthly Pension
 (b) Disablement Pension.
 (c) Monthly widow or widower pension.
 (d) Children Pension.
 (e) Orphan Pension.
 (f) Ex-gratia Payment.

8.4 The Central Government contributed a sum of Rs.23.17 crore during 2002-03 towards Pension Scheme. Rs.23.17 crore in 2003-04 (R.E.) and Rs.25.88 crore in 2004-2005 (B.E.) have been provided. In addition , the Central Government is likely to contribute Rs.3.49 crore in 2003-04 (R.E.) and Rs.3.98 crore in 2004- 2005 (B.E.) towards the administrative expenses for maintaining the Pension Scheme.

8.5 The table below indicates the broad parameters of the Scheme

S.No.	Particulars	Actual 2002-03	Provisional 2003-2004 (upto Sept.,2003)	2004-05 (Estimated)
i)	Membership of Coal Mines Pension Schme.	7.76	7.70	8.00
ii)	Contribution to Pension Scheme during the year by employers, employees, Govt. and interest (Rs. In crores).	1052.92	600.00	1200.00
iii)	Disbursement of benefits (ceased Family Pension Scheme and Pension Scheme). (Rs. In crores)	88.86	70.00	150.00
iv)(a)	No. of family pension and Life Assurance benefit (now ceased) cases settled.	358	149	300
(b)	Pension cases settled	33,372	18,722	45,000
v)(a)	No. of family pension and Life Assurance benefit cases received.	326	197	225
(b)	No. of pension cases received.	34,827	19,345	40,000
vi)	No. of other benefit cases settled	25	1	10

vii)	No. of other benefit cases received.	26	1	10
------	--------------------------------------	----	---	----

COAL MINES DEPOSIT LINKED INSURANCE SCHEME, 1976

8.6 The Coal Mines Deposit Linked Insurance Scheme was introduced with effect from 1st August, 1976. The scheme provides for payment to the dependants of a member, an amount equivalent to the average of the last three years' balance at the credit of the member's provident fund if the member dies while in service, subject to a maximum of Rs. 10,000/-.

8.7 In accordance with this scheme, the employers are required to contribute at the rate of 0.5% of the aggregate wages towards this scheme. The Central Government is also required to contribute an amount equal to 50% of the contribution made by the employers.

8.8 The Central Government contributed a sum of Rs. 1.55 crore in 2002-03 under this scheme. An amount of Rs.1.32 crore has been provided in R.E. for 2003-04 and Rs.1.35 crore has been provided in 2004-2005 (BE) for this scheme. In addition, the Central Government is likely to contribute Rs 0.25 crore each in 2003-04(RE) and BE (2004-05) towards the administrative expenses for maintaining this scheme.

8.9 The table below indicates the broad parameters of the scheme.

COAL MINES DEPOSIT LINKED INSURANCE SCHEME.

(Rs. In crores)				
S.No.	Particulars	Actual 2002- 03	Provisional 2003-2004 (upto Sept.,2003)	2004-05 (Estimate d)
1.	Total amount of contribution (employers' & Govt. contribution)	3.91	1.97	4.50
2.	Total amount received in Central Admn. Account.	5.36	3.00	6.00
3.	Investment made out of DLI fund and deposited in Public Account.	9.12	4.50	9.00
4.	Investment made out of Insurance Fund (Central Admn. Account.)	3.24	3.50	7.00
5.	Total investment made from insurance fund (Central Administration Account)	26.99	17.00	41.00

The cost of administration of the Deposit Linked Insurance Scheme is borne by the employers, who contribute 0.1% of the aggregate wages for the purpose. The Government is also required to contribute 50% of the employer's contribution for this

purpose i.e. 0.5% of the aggregate wage. No independent staff is employed for the Scheme. Proportionate share of expenditure on common items is charged to the scheme.
