

CHAPTER - VI

REVIEW OF PERFORMANCES OF STATUTORY AND AUTONOMOUS BODIES

Coal Mines Provident Fund Organisation

There is an autonomous body namely the Coal Mines Provident Fund Organisation under the Ministry of Coal. This organization administers the following three Schemes:

- (a) Coal Mines Provident Fund Scheme, 1948
- (b) Coal Mines Pension Scheme, 1998
- (c) Coal Mines Deposit Linked Insurance Scheme 1976

The features and the broad profile of each of the above three schemes are as under:

(a) COAL MINES PROVIDENT FUND SCHEME, 1948

6.1. The Coal Mines Provident Fund Scheme-1948 framed under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 provides provident fund benefits to all the employees of Coal Mines in India. Neyveli Lignite Corporation is not covered under this Act. The workers contribute to the Coal Mines Provident Fund at the rate of 12% of their emoluments and the employers pay an equivalent amount. Interest at the rate of 8.5% per annum was allowed on the closing balance of PF of the financial year 2007-08. The entire accumulations in the fund are invested in accordance with 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	2007-08 Actual	2008-09 (upto March,2009) un-audited	2009-10 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)	4.03	5.13 approx.	5.787
Contribution during the year (Rs. In crores) including voluntary contribution.	1880.35	2600.00 Approx	2000.00
Rate of interest allowed to the members of the fund	8.5%	Rate of interest will depend upon availability of funds and shall be decided by Board of Trustees, CMPF	Rate of interest will depend upon availability of funds and shall be decided by Board of Trustees, CMPF
Advance during the year (Rs. In crores)	1130	2270 Approx	1140
Refund of Provident Fund during the year (Rs. In crores)	1877.43	2300.00 Approx	2000.00
(i) No. of cases settled (refund)	15793	24620	20,000
(ii) No. of cases received (refund)	15852	24800	22,000
Officers in position	44	51	39
Staff in position	981	966	978

(b) COAL MINES PENSION SCHEME, 1998

6.2 One of the most important landmarks in the history of Coal Mines Provident Fund Organization is the introduction of Coal Mines Pension Scheme, 1998 effective from 31.3.98 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.

6.3 The Coal Mines Pension Scheme has come into force with effect from 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 as follows:

(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 employer from their respective contribution 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 employees 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, CMPFO 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 retired from service during the period from 01.04.94 to 31.03.98 and who opted for membership of the Pension Fund in Form PS-1 and PS-2 as the case may be.

All such employees who died while in service during the period 01.04.1994 to 30.03.1998 are treated as deemed optee of the scheme vide G.S.R.No. 521 dated 18.08.2004

(iii) Benefits:-

- (a) Monthly Pension
- (b) Disablement Pension
- (c) Widow or Widower Pension
- (d) Children Pension
- (e) Orphan Pension
- (f) Ex-gratia Payment.

6.4. The Central Government contributed a sum of Rs. 21.00 crore during 2007-08 towards pension fund. Rs. 18.50 crore in 2008-09 and Rs. 18.50 crore in 2009-10 (BE) have been provided. In addition, the Central Government contributed Rs. 10.70 crore in 2008-09 and Rs. 10.20 crore in 2009-10 (BE) towards the administrative expenses for maintaining the Pension Scheme.

6.5 The table below indicated the broad parameters of the Scheme

S.No.	Particulars	Actual 2007-08	Provisional 2008-09 (upto March,2009) un-audited	2009-10 (Estimated)
i)	Membership of Coal Mines Pension Scheme (lakhs)	4.90	4.80	4.72
ii)	Contribution to Pension Scheme during the year by employers' employees' Govt. and interest (Rs in crores)	1169.44	1262.55 (approximate)	1220.50
iii)	Disbursement of benefits (ceased Family Pension Scheme and Pension Scheme) (Rs. In crores)	475.50	601.00 (approximate)	525.00
iv)(a)	No. of family pension and Life Assurance benefits (now ceased cases settled)	1	2	51
(b)	Pension cases settled	19499	82080	36600 Approx

v)(a)	No. of pension and Life Assurance benefits cases received	1	3	5
(b)	No. of pension cases received	20200	36443	40600 Approx
vi)	No. of other benefits cases settled	NIL	NIL	NIL
vii)	No. of other benefits cases received	NIL	NIL	NIL

(c) COAL MINES DEPOSIT LINKED INSURANCE SCHEME, 1976

6.6 The Coal Mines Deposit Linked Insurance Scheme was introduced with effect from 1st August, 1976. The scheme provides for payment to the dependents 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/-

6.7. 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.

6.8. The Central Government contributed a sum of Ra. 1.50 crore each in 2007-08 and 2008-09 under this scheme. An amount of Rs. 1.50 crore has been provided in BE 2009-10 for this Scheme. In addition the Central Government have provided Rs. 0.32 crores in 2008-09 and Rs. 0.32 crore in 2009-10 towards the administrative expenses for maintaining this Scheme.

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

COAL MINES DEPOSIT LINKED INSURANCE SCHEME

(Rs.in Crore)

S.No.	Particulars	Actual 2007-08	Provisional 2008-09(upto March,2009)	2009-10 (Estimated)
1	Total amount of contribution (employers' & Govt. contribution)	3.18	4.45	3.25
2	Total amount received in Central Admn Account	0.66	0.88	0.67
3	Investment made out of DLI fund and deposited in Public Account	12.32	12.20	15.40
4	Investment made out Insurance Fund (Central Admn. Account)	3.91	3.90	4.00
5	Total investment made from insurance fund(Central Administration Account)	39.00	40.00	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 separate staff is employed for the Scheme. Proportionate share of expenditure on common items is charged to the scheme.