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Coal Mine's pension scheme, 1998

Shuchi Smita\*

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\*The author is a research assistant at India Pension Research Foundation. Comments of the paper should be mailed to [ssmita@iief.com](mailto:ssmita@iief.com)

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## 1 INTRODUCTION

Social security in India essentially deals with the labour force employed in both the organized and unorganized sectors. The organized sector in India is within the purview of the Employees Provident Fund organisation. On the contrary, there are other sectors where a separate Provident Fund Legislation exists for the employees. One such sector which comes under the purview of a separate legislation is the Coal Mines.

In India, the coal industry is an important segment of the economy. India is the third largest producer of hard coal in the world, next only to China and USA. Reserves are estimated at 192 billion tons, 78 billion tons of which are proven reserves. The bulk of coal found has been in Bihar, Madhya Pradesh, Orissa and West Bengal. Coal India is the second biggest employer in the world, with approximately 5.3 lakh employees and miners including 19,000 professionals of different disciplines.

Realising the contribution and role the coal sector plays in India's economy, the Ministry of Coal has attached a great deal of importance to the pension schemes of coal miners. The main objective of this paper is to deal with the pension schemes of coal miners and the benefits that they and their family receive. Accordingly, the paper is structured in various sections that deal with different issues. Section 2 gives a brief overview of the history of the Coal Mines. Section 3 covers the framework of the Schemes, that is, Coal Mine's Deposit Linked Insurance Scheme, 1976 and Coal Mine's Pension Schemes, 1998. Section 4 illustrates the Coal Mines Provident Fund Schemes. Section 5 gives a brief outline of Coal Mines Family Pension Scheme. Section 6 is about the Coal Mines Deposit Linked Insurance Scheme. Section 7 covers the details on Coal Mines Pension Schemes. Section 10 is about the discontentment among the coal miners. Finally, there is a subsection on reforms followed by Conclusion.

## 2 BACKGROUND ABOUT THE COAL MINES

Coal mining in India dates back to 1774, when it was first mined in the Raniganj coalfields in West Bengal. However, the foundation for mass coal production in India was laid in 1886. In this year, the Hyderabad Deccan Company acquired mining rights to exploit the coal found in Yellandu<sup>1</sup>. This became a public limited Company in 1921 with the name Singareni Collieries

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<sup>1</sup>This is a village in Khammam District in Andhra Pradesh.

Company Limited (SCCL). With the establishments of the steel industries there was an increasing need of coal. The adequate capital investment in coal did not seem to come from the private mine owners as a result of which coal sector could not develop much. In order to meet the needs and requirements of the steel industry and to develop coal sector, the Indian Government nationalised the private coal mines / industry. The nationalisation was done in two phases. Coking coal mines except the captive mines of TISCO and IISCO were taken over in 1971 and nationalised in 1972. All non coking coal mines were nationalised in 1973. To manage the nationalised coal mines in the country, Coal India Limited was set up in 1975. The CIL is the largest supplier of coal (and one of the largest taxpayers) in the country. CIL and its subsidiaries are incorporated under the Companies Act, 1956 and are wholly owned by the Central Government.<sup>2</sup>

### 3 SCHEMES IN COAL MINES

Old age income security for coal miners is governed by three primary schemes, namely

- Coal Mines Provident Fund, 1948,
- Coal Mines Deposit Linked Insurance Scheme, 1976,
- Coal Mines Pension Scheme, 1998. (This Scheme superseded the Coal Mines Family Pension Scheme, 1971.)

All these schemes are administered by the Coal Mines Provident Fund Organisation (CMPFO). This Organisation is an autonomous body set up under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948. CMPFO has 23 regional offices with its headquarters at Dhanbad (Jharkhand). The sanctioned strength of the organisation consists of 71 officers and 1532 staff.<sup>3</sup>

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<sup>2</sup>CIL have now 8 subsidiaries: Bharat Coking Coal (BCCL), Central Coalfields Limited (CCL), Eastern Coalfields Limited (ECL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Northern Coalfields Limited (NCL), Mahanadi Coalfields Limited (MCL) and Central Mine Planning and Design Institute Limited (CMPDIL).

<sup>3</sup>See <http://www.coal.nic.in/0203CHAPTERII.pdf>

## 4 COAL MINES PROVIDENT FUND SCHEME, 1948

The Coal Mines Provident Fund Scheme was framed under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.

### 4.1 Coverage

All the employees of the coal mines have access to this benefit. There are approximately 8.06 lakhs employees who are a member of the Coal Mines Provident Fund.<sup>4</sup>

### 4.2 Contribution

In the Provident Fund Scheme, both the employee and employer make an equal contribution of 12% of the employee's salary.<sup>5</sup>The interest at the rate of 8% is allowed on the closing balance of Provident Fund of the previous year.<sup>6</sup>

### 4.3 Investment

The entire accumulation in the PF is invested as per the guidelines laid by the Ministry of Finance.<sup>7</sup>

### 4.4 Administration

The administration of the Fund is done by the Tripartite Board of Trustees consisting of the representatives of the employers, employees and the Central / State Governments. Table 1 shows the Profile of the Coal Mines Provident Fund Scheme.

Table 2 shows the state wise coverage of Coal Mines Provident Fund

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<sup>4</sup>See, 'Provident Funds in India' by Late R. S. Kaushik

<sup>5</sup> Salary is the monthly emoluments of an employee. The contribution to the Fund is deducted every month from this monthly emoluments.

<sup>6</sup>Year means the period of twelve months from the first day of April of the year to the thirty - first day of March of the following year.

<sup>7</sup>The investment guidelines of the Coal Mines Provident Fund Scheme are illustrated in the section of Coal Mines Pension Fund Scheme.

Table 1: Parameters of the Scheme

Particulars (as on 31st March)	2000	2001	2002-2003 (up to Sep 2002)
Number of Coal Mines and ancillary organisations covered (at the end of the period)	964	971	971
Number of persons enrolled as new members of Fund			677
Contribution including Voluntary Contribution			Rs.2780.27 cr
Number of registered membership (000)	2230	2234	
Number of live membership during the year	745	715	
Total Contribution (till Sep, 2002)			Rs.13275.53
Total face value of the Fund's Investment			Rs.22269.55 cr
Total Number of live subscribers (end Sep)			672603
Interest credited to Member's accumulation(2002-2003)			9%

Reference:<http://www.labourbureau.nic.in>

The cost of administration of CMPF Scheme is met out of the Administrative Charge @ 3% paid by the coal companies.

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Table 2: State wise Distribution

State	Live Member- ship in (lacs) 1999-2000	2000-2001
Andhra Pradesh	1.20	1.17
Bihar	2.40	2.26
West Bengal	1.44	1.36
Assam	.05	.05
Madhya Pradesh	1.46	1.42
Maharashtra	.64	.62
Orissa	.24	.25
Jammu & Kashmir	.02	.02
Total	7.45	7.15

Reference:labourbureau.nic.in

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## 5 COAL MINES FAMILY PENSION SCHEME, 1971

The erstwhile Coal Mines Family Pension Scheme, 1971 which was superceded by the Coal Mines Pension Scheme, 1998 covered all the eligible family pension members before the 31.3.1998. The number of claims of family pensions settled in 2002-2003 (up to September, 2002) was 164. The total amount disbursed under the Family Pension Scheme, 1971 was Rs.15.49 crores.

### 5.1 Supercession of Coal Mines Family Pension Scheme, 1971

The Coal Mines Pension scheme, 1998 superceded the erstwhile Coal Mines Family Pension Scheme, 1971 in order to provide more comprehensive and adequate social security benefits to the employees. The Coal Mines Pension Scheme, extended the benefits not only to the employees of the Coal Mines but also to the family members in forms of widow / widower pension, children / disabled / orphan pension etc. Therefore, realising the additional benefits that pension scheme would grant, it was decided that Coal Mines Pension Scheme with a greater scope and benefits should be introduced. This led to the inception of the Coal Mines Pension Scheme, 1998.

Table 3 shows the Profile of the Coal Mines Family Pension Scheme.

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Table 3: Family pension Fund Benefits

Particulars	No. of cases During 2000- 2001	No. of cases Upto 2001
Family pension Fund settled	755	38500
Claims for other benefits under F.P.Scheme settled	65	104525

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## 6 COAL MINES DEPOSIT LINKED INSURANCE SCHEME, 1976

The Coal Mines Deposit Linked Insurance Scheme came into effect from 1st August, 1976.

### 6.1 Benefit

According to this scheme, if an employee was a member of the Coal Mines Provident Fund scheme, then his nominee(s) would be entitled to receive (in addition to the PF), an amount equal to the average balance, in the account of the deceased during the preceding 3 years. This is subject to the maximum of Rs.10,000.

### 6.2 Contribution

In accordance with the Scheme, the employers are required to contribute at the rate of .1% of the aggregate wages of the covered workers in Coal Mines. The contribution made by the Central Government is 50% of the contribution made by the employers (that is, .05%). During 2002 - 2003 (up to September, 2002), employers contributed a sum of Rs.3.76 crores to this account. During the same year an amount of Rs.48334.00 was paid as Deposit Linked Insurance Benefits in cases of 5 deceased employees.

### 6.3 Administration

There is no independent staff for the management of the CMDLIS. The administration cost of the CMDLIS is borne by the employer and the central

government who contribute .1% and .05% of the aggregate wages respectively.

## 7 COAL MINE'S PENSION SCHEME, 1998

One of the landmarks in the history of CMPF Organisation is the introduction of Coal Mine's Pension Scheme, 1998. This has come into effect from 31st March, 1998. Prior to the introduction of Coal Mine's Pension Scheme, 1998, there was Coal Mine's Family Pension Scheme, 1971. The Coal Mines Family Pension Scheme, 1971 ceased to operate the day Coal Mine's Pension Scheme was introduced. However, those pensioners who used to draw the benefits under the erstwhile Family Pension, would continue to draw the pension under the Coal Mine's Family Pension, 1971. In respect to the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 and the supersession of the Coal Mines Family Pension Scheme, 1971, the Central Government has made the Scheme known as Coal Mines Pension Scheme, 1998. It applies to all the employees in coal mines to which the Coal mine's Provident Fund Scheme, 1948, Andhra Pradesh Coal Mines Provident Fund Scheme, 1958, Rajasthan Coal Mines Provident Fund Scheme, 1958, framed under section 3 of the Coal Mines Provident Fund Scheme and Miscellaneous Provisions Act, 1948 apply.

## 8 ELIGIBILITY FOR PENSION

There are five classes of employees who are eligible to receive the Coal Mines Pension Scheme, 1998. They are:

- An employee who was a member of Coal Mines Family Pension Scheme, 1971, before the appointed day and has not attained the superannuation age. This eligibility to receive pension commences from 31.03.1998.
- An employee who had not opted to be a member of the Family Pension Scheme, 1971 but was the member of Provident Fund Scheme, 1948. This option must be exercised within two months from the appointed day. The employee from the date of exercising this option is deemed to become the member of this scheme. Under such a situation, it would be important for him to deposit cash or get his monthly salary deducted in installments or to transfer from the provident fund to his pension fund account the arrears (as stated in the Corpus of the Fund) along with the interest. This shall commence from the 1st March, 1971 till the date an employee exercises his option.<sup>8</sup>

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<sup>8</sup>If an employee is unable to deposit the prescribed amount before the age of superannuation, then the amount of his pension shall get reduced.

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Table 4: Parameters of the Scheme

Particulars	2002-2003 (up to September, 2002)
Total number of coal workers as members	7,81,633
Amount diverted to Pension from Provident Fund	Rs.631.39 crores
Net accretion in the pension as on 30.9.2002 (without Government shares and interest)	Rs.2402.85 crores

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- An employee who had joined the service in coal mines on or after the appointed day is covered under Pension Schemes, 1998.
- An employee who was covered under the Family Pension Schemes, 1971, on the date of superannuation on or after 1st April, 1994, can opt for the pension schemes from the date of his superannuation. This is done within a period of six months from the appointed day. Henceforth, he would be eligible to become the member of the pension scheme. The employees opting for such a scheme need to deposit in pension fund some cash received by him on or after the date of superannuation. This is done by:
  - retirement cum withdrawal benefits that are accrued under Coal Mines Family Pension Scheme, 1971
  - an amount that is equivalent to 2% of the employee's salary from 1st April, 1989 till the date of the superannuation
  - an amount equivalent to one increment. This amount is calculated on the basis of the employee's salary as on 1st July, 1995 from the 1st July, 1995 till the date of his superannuation. This includes the interest also at the rate of 8.5% per annum between the period of receipt of such sums till the date an employee exercises his option.

Table 4 shows the profile of the Coal Mines Pension Scheme.

## 9 OPERATIONAL FRAMEWORK OF THE SCHEME

### 9.1 Contributions

The employee does not contribute separately towards the pension scheme.  $\frac{7}{6}$  of his contribution towards the provident fund scheme is diverted to the

Table 5: Budget Allocations, net of recoveries.

Partiulars	Revenue (Capi- tal)Total	Budget 2003 - 2004(To- tal)	Revised 2003-2004	Budget 2004-2005
Contribution to the Coal Min- ers Pension Schemes/Deposit Linked Insur- ance Scheme	2230	28.3(Non Plan)	28.3(Non Plan)	31.46(Non Plan)

Source: Ministry of Coal

pension scheme. A same amount is diverted from the employers contribution. The Central government contributes  $1\frac{2}{3}\%$  of the employees salaray towards the pension scheme. The employer is also responsible to contribute one and one six percent of the employee's salary which gets transferred from the fund. Table 5 shows the budget allocations of the central government, net of recoveries.

## 9.2 Investment

The pension scheme has its own separate pension fund. The corpus of this is invested as per the guidelines laid down by the Ministry of Finance.

### 9.2.1 Constitution of a pension fund

The sole purpose of the establishment of the Pension Fund is to deal with the payment of pension in accordance with the scheme to the employee or his or her family after his death. This Fund also deals with the payment of any amount that has been accrued under the provisions of the Coal Mines Family Pension Scheme, 1971 immediately before the appointed day.<sup>9</sup>

<sup>9</sup>Appointed day is 31.03.1998, that is the daty Coal Mines Pension Scheme came into force.

## 9.2.2 Corpus Of the Pension Fund

The corpus of Pension Fund comprises of the following:

1. Net assets of the Coal Mines Family Pension Scheme, 1971 as on 31.03.1998
2. An amount equal to 7/3rd percent of employee's salary to be transferred from the fund<sup>10</sup> of the employee.<sup>11</sup> This contribution is the aggregate of the equal share of both the employee and the employer.
3. An amount which is equivalent to two percent of the employee's salary from the 1st April, 1989 or the date of joining (whichever is later) up to 31st March, 1996 and two percent of the notional salary<sup>12</sup> of the employee from 1st April, 1996 or date of joining (whichever is later) to be transferred from his or her salary.<sup>13</sup>
4. An amount equivalent to one increment<sup>14</sup> to be calculated on the basis of the salary of the employee as on the 1st July, 1995 or the date of joining, (whichever is later) from the salary of employee,
5. An amount equivalent to one and two third percent of the employees salary to be contributed from 31.03.1998 by the Central Government .<sup>15</sup>
6. An amount that has to be deposited by the new optees in accordance with the provisions of the Scheme.

The amount as stated in the third (where 2% is deducted) and fourth point (where an amount equivalent to one increment is deducted) needs to be deducted by the employer from employee's salary. This has to be remitted to the authorised officer<sup>16</sup> within 31.03.1998. However, if the employer fails to do so he has to remit the amount within a period of 120 days from 31.03.1998 along with 12% per annum. The valuation of the Pension Fund is done every third year by an actuary who is appointed by the Board of Trustees. The responsibility for such a valuation is vested with the Commissioner.

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<sup>10</sup>Fund means the provident fund established under the Coal Mines Provident Fund Scheme.

<sup>11</sup>This is done from 31.03.1998.

<sup>12</sup>Notional salary means the monthly emoluments comprising basic pay and dearness allowance payable to an employee not withstanding the actual salary drawn for that month.

<sup>13</sup>An employer's share here shall not be deducted from the salary or other benefits of the employee.

<sup>14</sup>The rate of increment shall be twenty six times of his daily rate of increment.

<sup>15</sup>In case where the employee's salary exceeds Rs. 1600 per month, the contribution made by the Central Government shall be equivalent to the maximum of the amount that would be necessary to pay on the salary of Rs.1600.

<sup>16</sup>Authorised officer means the Regional Commissioner or Assistant Commissioner or any other officer.

### 9.2.3 Investment of the pension fund

The total amount that has been transferred from the net assets of Coal Mines Family Pension Scheme to the pension fund, is deposited by the commissioner with the Central Government in Public account. This excludes the amount that are used to make payments of pension and other benefits. The amounts that are vested in the Pension Fund are then subject to suitable banking arrangements as done by the Commissioner. The amounts of the Pension Fund are invested as per the patterns and guidelines of the Ministry of Finance.<sup>17</sup> Table 6 shows the Investment pattern of the Coal Mines Pension Fund.

## 9.3 Benefits

The pension schemes not only ensure security to the employee but also to his family members. Accordingly, there are six classes of benefits under the provision of Coal Mines Pension Scheme, 1998. These are:

- Monthly pension
- Disablement Pension
- Monthly widow or Widower Pension
- Children Pension
- Orphan Pension
- Ex -gratia Payment

**Monthly Pension** An employee would be eligible to receive the monthly pension only if he completes thirty years of his pensionable service and attains the age of superannuation. The rate of monthly pension is 25% of the average emoluments<sup>18</sup> or a sum of not less than Rs.350. The time period for which an employee receives the monthly pension commences from the date following the date of superannuation till the employee's death. In case the employee has not completed the thirty years but completed ten years of pensionable service on attaining the age of superannuation, the pension is calculated on the following basis: Length of Pensionable Service / 30 X 25% of the Average Emoluments.

**Disablement Pension** An employee would be eligible to receive disablement pension if he becomes handicapped or disabled during his service time after rendering ten years of the pensionable service. However, such bodily or mental disability or infirmity

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<sup>17</sup>This investment pattern is not only meant for the pension but also for the provident fund scheme and deposit linked insurance scheme.

<sup>18</sup>Average emoluments means the average of the notional salary payable to an employee for the last ten months before retirement from the service.

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Table 6: Investment Pattern

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Areas to be invested in	Maximum % to be invested
i) In the Central Government Securities and or units of such Mutual Funds which have been approved by the Securities and Exchange Board of India.	25%
ii) In the Government Securities created and issued by any State Government and or units of Mutual Funds; or (and) any other negotiable securities where the principal and interest is guaranteed by the Central Government or any State Government except those covered under Public Financial Institutions.	15%
iii) In the Bonds or Securities of Public Financial Institution; Public Sector Companies including Public Sector Banks; and/or Short duration ( less than a year) Term Deposit Receipts issued by the Public Sector Banks.	30%
iv) In any of the above three categories as decided by their Trustees.	30%
v) Trustees may, subject to their assessment of risk - return prospects, decide to invest 1/3rd of iv) above, in private sector bonds / securities, which have an investment grade rating from at least two credit rating agencies.	1/3rd of iv)

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should be declared by the competent medical board. The amount of disablement pension is computed at the rate of 25% of the average emoluments or not less than Rs.350 per month.

**Monthly widow or Widower Pension** The spouse shall be eligible to receive the widower pension after the death of the employee till the time he or she gets remarried or dies.<sup>19</sup>The amount of Widower pension shall be equal to 60% of the monthly pension that an employee would have received as on the date of his or her death or not less than amount of Rs.250 per month. If an employee dies before attaining the age of superannuation, then the amount of monthly widow shall be equal to 200/3rd of the monthly pension that an employee would have received and not less

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<sup>19</sup>If an employee has more than one legally wedded wife then the amount of monthly widow pension shall be shared among them in equal share till the time of their remarriage or death.

than Rs.150.

**Children Pension** The children of the employee shall be eligible to receive the children pension after the death of the employee along with the spouse of the deceased employee. This children pension is granted to the maximum of the two of the eldest sons or daughters of the employee till they attain the age of 25 years or till the date of marriage (in case of daughter). The amount of the children pension is equal to 25% of the widower pension for each son or daughter or an amount not less than Rs.100 per child.

**Orphan Pension** The children when survived without a parent at the time of the death of an employee are eligible to receive the orphan's pension following the date of the death of the employee. This is granted to the maximum of two of the eldest sons or daughters till the time they attain twenty five years of age or get married (in case of daughter). The amount of the orphan pension payable after the death of the employee or widow or widower shall be equal to 50% of the widower pension or not less than Rs.110 per orphan.

**Ex-gratia payment** If an employee dies before attaining the age of superannuation while in service, then the amount of Rs.5000 shall be payable as a lump sum to the surviving spouse. In case there is no surviving spouse the amount shall be payable to the surviving children in equal share or to the nominee in case there is neither spouse nor children.

The maximum of three members (at a time) in coal mines, namely, spouse and two children/orphans are eligible to receive pension. If an employee dies while in service or after superannuation and certain amounts have not been paid to him under the pension scheme, the surviving widow or children (in the case there is no widow) shall get such amount in equal share. The benefits under the Coal Mines Pension scheme have been provided on the basis of the actuarial evaluation of the corpus of the fund after taking into account the liabilities and assets of the fund. It may be imperative to mention that the benefits available under the Coal Mines Pension scheme is over and above the contributory Provident Fund benefits.<sup>20</sup>

Table 7 shows the details of the Coal Mines Family Pension Scheme, 1971

### 9.3.1 Nomination's Rules

Every employee in the coal mines is required to furnish or produce some particulars about the family members and nominations. This enables the employer to have complete information about the family members who would receive pensions after the death of the employee. The submission of the

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<sup>20</sup>See:<http://www.rajyasabha.nic.in>.

Table 7: Details of the Pension Scheme

Serial No.	Particulars	Actual 2002-2003
i)	Membership of Coal Mines Pension Scheme (in lakhs)	7.76
ii)	Contribution to pension scheme during the year by employers, employees, Govt. and interest (Rs. in crores)	1052.92
iii)	Disbursement of benefits (ceased Family Pension Scheme and Pension Scheme) (Rs in crores)	88.86
iv)	No. of family pension and Life Assurance benefit (now ceased) cases settled	356
v)	Pension cases settled	33,372
vi)	No. of family pension and Life Assurance benefit received	326
vii)	pension cases received	34,827
viii)	No.of other benefits cases settled	25
ix)	No. of other benefit cases received	26

Reference:coal.nic.in

particulars about the nominations are binding on two classes of employees of the coal mines:

- Those employees who were under the category (1) and (3), that is, those who are eligible to receive pensions and
- Those who are under the category (2) and (4), that is, those who opted for pensions.

Both the first and second categories of employees have to submit the particulars of their family members and nomination. However, the first category has to submit the particulars within sixty days from the appointed day. These particulars are verified and attested and sent to the concerned authorised officer by the employer. If an employee does not have a wife or husband at the time of nominations, the employee has to give the details (name and particulars) about the guardian of his minor son(s) or daughter(s) for the purpose of receiving the benefits. In case an employee wishes to modify the particulars about the nominations and family members then he needs to intimate the employer. The employer then within seven days from its receipt forwards the same to the concerned authorised officer after getting

them verified and attested. The employee can nominate only the member(s) of his family. If he nominates any other person other than his family then, that person would be disentitled to receive the benefits the day employee acquires the family.

#### **9.4 Administration of Pension Scheme**

The administrative expenses of the scheme are recorded in an account called, Pension Administration Account. This is maintained by the Commissioner in a manner as specified by the Board, with the approval of the Central Government. The Pension Administration Account deals with the details that determine the sums payable by the Central Government for the administration of the scheme. The liability of the Central Government to pay the expenses on administration of the Scheme are decided by the Central Government from time to time. In case the expenses for the administration of the scheme as made available by the Central Government, is found to be inadequate the expenses then are met by the Administration Account of the Coal Mines Provident Fund. This is done only after getting the approval of the Board of Trustees and the Central Government. Every employer is vested with the responsibility to submit to the Commissioner the details of the return of contribution made towards both the provident fund as well as pension fund before the 30th day of each month.<sup>21</sup>

#### **9.5 Records and Account Maintenance**

The records, accounts and the registers of the pension fund are all maintained by the authorised officer as may be specified by the commissioner from time to time. The authorised authority is the sanctioning authority of the pensions and other benefits and is responsible for the disbursement of the same.

#### **9.6 Budget**

Every January the Commissioner places a budget in front of the Board showing separately the receipts and expenditures which are expected to be incurred during the year commencing from 1st April of that year. After getting approved by the board, the budget is submitted to the Central Government for getting sanctioned before 15th February each year.

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<sup>21</sup>These details are about the return of contributions of the preceding month.

The Central Government may sanction the budget with or without the modifications. The Commissioner may make budgetary re appropriation but he has to take into account that such re appropriation of funds does not exceed the total budget sanctioned by the Central Government. Such re appropriation is placed in the first meeting of the Board for approval. It is also approved by the Central Government before the financial year gets expired.

### **9.7 Audit**

The Comptroller and the Auditor General of India, is responsible for auditing of the Pension Fund. This is done every year.

### **9.8 Annual Audit Report and Balance Sheets**

A report on the working of the scheme of the previous year along with the audited annual accounts are placed by the Commissioner at a meeting of the Board. This meeting is held before fifteenth November of every year. Such report is then submitted by the Board along with the audited account to the Central Government. This is placed before the Parliament by the Central Government by the end of December each year.

## **10 COAL MINERS TOWARDS STRUGGLE**

Recently, there has been a great disillusionment among the coal miners. The resentment among them is the product of the unfulfilled committment made by the central government and the management of the Coal India Limited (CIL). The CIL had signed an agreement on the wage revision on December 23, 2000, but the arrears of wages have not been paid yet. This has led the coal miners to carry strikes against CIL.

The agitation however does not stop here. It continues even in terms of the pension benefits. The pension schemes as prepared by the management comprise a very small and insignificant portion of the coal miner's sustenance. Furthermore, majority of them are not able to avail even this trivial benefit. The Coal Mines Provident Fund Organisation is also not untouched by corruption and illegal or unfair means. Most of the miners have to pay the bribe to CMPF office to get their work done. As a result, the coal miners are left with no other alternative but to resort to strikes and agitations especially

against the pension schemes and the CMPF office. Such reaction demands immediate measures to be taken. If any step is not taken soon that day would not be far when everything goes out of control of the CMPF and such agitation turns into a nationwide strike by this industry.

### **10.1 A look into the Future**

Though the Coal Mines Pension scheme ensures security and benefit to the employees, the safety measures have not been fully up to the mark. There is a higher accident and fatality rates in Indian Coal Mines (as shown in the table). Most of the miners who face accidents -both fatal and serious fall in the age group of 20s and 30s. As a result they have not been able to meet the eligibility criteria of the disablement pension, that is, 10 years. They, fall outside the purview of enjoying disablement pension benefit.

Considering, the eligibility criteria for disablement pension and the frequency of accidents, it becomes essential to give it a serious thought. This could be done by reducing the number of years required to be eligible for the disablement pension. If the qualifying condition for the disablement pension is reduced, then more miners and workers would enjoy this benefit. Immediate steps, therefore, should be taken in this regard.

Table 8 shows Safety Statistics of Coal Mines of India.

## **11 CONCLUSION**

The welfare of the miners has an equal importance as the production of the coal mines. The coal companies are paying a great deal of attention to the security and welfare of the employees. The thrust is on providing them with adequate benefits through various schemes as mentioned in this paper. In order to develop a sense of belongingness and incentive, Coal Mines give top priority to the pension and other benefits. If these continue to be the priority even in the future, that day is not far when all the employees and workers would have a better tomorrow.

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Table 8: Safety Statistics of Coal Mines of India

Year	Fatal dents	Acci-	Fatalities	Serious dents	Acci-	Injuries
1972	220		217	1534		1616
1975	222		664	2135		2211
1985	176		204	1007		1060
1993	156		176	854		903
1994	156		241	717		775
1995	137		219	757		813
1996	131		146	677		723
1997	143		165	677		725
1998	128		146	677		725
1999	127		138	595		650
2000	117		144	661		707
2001	106		142	667		720

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Reference : <http://coal.nic.in>

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