

GOVERNMENT OF INDIA  
MINISTRY OF COAL  
RAJYA SABHA  
UNSTARRED QUESTION NO. 2439  
TO BE ANSWERED ON 08.08.2022

**Revision of pension for coal sector workers**

**2439 Shri Binoy Viswam:**

Will the Minister of *Coal* be pleased to state:

- (a) whether Government is aware that the Coal Mines Pension Scheme provides revision of pension of coal workers every three years;
- (b) whether Government is also aware that the last revision was done in 1998, if so, the reason for non-revision; and
- (c) whether Government will give an assurance that revision will take place this year considering the abysmal pensions?

**ANSWER**

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES  
(SHRI PRALHAD JOSHI)

- (a) Coal Mines Pension Scheme, 1998 provides for valuation and review of the pension fund. The Commissioner, Coal Mines Provident Fund Organisation (CMPFO) is responsible for valuation of the Pension Fund every third year by an Actuary to be appointed by the Board of Trustees, CMPFO (BoT). When the Pension Fund permits, BoT on the recommendation of an Actuary and with the approval of the Central Government may amend the rates of contribution payable under the Scheme or the scale of any benefits admissible or the period for which such benefit may be allowed;
- (b) Coal Mines Pension Scheme, 1998 came into force on 31<sup>st</sup> day of March, 1998 as a defined contribution defined benefit scheme. However, the contribution is not commensurate with the benefit. The actuarial evaluation report, which is based on the detailed analysis and taking into account various critical aspects like

defined contribution for defined benefit, number of pensioners, number of active workers, their dependents etc., to make the funds sustainable, was placed before the BoT from time to time. However, due to the resistance by the Central Trade Union representatives, who are also members of the BOT, the recommendation of the actuary to enhance pension contribution could not be implemented. The contribution to the fund was revised to 14 per cent from the erstwhile 4.91 per cent with effect from 1<sup>st</sup> October, 2017. Despite this, contribution to the fund is less than the disbursement. Upward revision of pension was not possible due to the gap between accrual and disbursement. Average monthly contribution and disbursement during the years 2020-21 and 2021-22 are given in the table below:

Financial Year	Average monthly contribution (Rs. in crore)	Average monthly disbursement (Rs. in crore)
2020-21	280.54	328.01
2021-22	295.21	356.97

As per actuarial valuation, net liability of pension was Rs. 40,976.64 crores as on 31<sup>st</sup> March, 2015 which has increased to Rs. 42,391.63 crores as on 31<sup>st</sup> March, 2019.

(c) Revision of pension is not possible due to the widening gap between contribution to the fund and pension disbursement.

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