

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.4293
FOR ANSWER ON 04/04/2018

UNIFORM MINIMUM GUARANTEE BENEFIT AS PER PAY REVISION

4293. SHRI V. VIJAYASAI REDDY:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that Central Public Sector Enterprise (CPSE) officers are allowed 30 per cent of basic as superannuation benefit under Second Pay Revision;
- (b) whether it is a fact that the Board of RINL has cleared this year 2011;
- (c) if so, the reasons for Government not permitting RINL to extend this to Executives in spite of order from DPE on 26th November, 2008; and
- (d) what is affordability clause and what constraints Government has to remove Minimum Guarantee Benefit (MGB) to have uniform MGB as was done in first and Second Pay Revision?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

- (a) As per DPE's O.M. dated 26.11.2008 read with OM dated 02.04.2009 regarding revision of pay in respect of Executives & Non-unionized Supervisors of CPSEs w.e.f. 1.1.2007, CPSEs would be allowed 30% of Basic Pay plus DA as Superannuation Benefits, which may include Contributory Provident Fund (CPF), Gratuity, Pension and Post Superannuation Medical Benefits.
- (b) Yes, Sir.
- (c) Ministry of Steel had constituted an Expert Committee to examine the proposals and make recommendations regarding Superannuation benefits in the CPSEs under its administrative control taking into account all the relevant factors. The report of the Committee had been considered and it has inter alia been opined that introduction of a pension scheme in a CPSE depends upon confirming to DPE guidelines and fulfilling the relevant factors such as affordability and sustainability of the scheme based on profitability of the company.
- (d) Para 3 of DPE's OM dated 26.11.2008 regarding revision of pay in respect of Executives & Non-unionized Supervisors of CPSEs w.e.f. 1.1.2007, specifies about the affordability clause, which states that the revised pay scales would be adopted, subject to the condition that the additional outgo by such revision for a period of 12 months should not result in more than 20% dip in Profit Before Tax (PBT) for the year 2007-08 of a CPSE in respect of executives as well as non-unionized supervisory staff taken together in a CPSE. DPE has no guidelines on Minimum Guarantee Benefit (MGB).
