

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2470
ANSWERED ON:24.11.2010
COAL MINES PROVIDENT FUND
Patel Shri Bal Kumar

Will the Minister of COAL be pleased to state:

- (a) whether the Government is aware that Coal India Limited and its subsidiaries deposited the employers share of 17.26 crores towards Provident Fund Contribution on leave encashment with Coal Mines Provident Fund Authority;
- (b) if so, the details thereof;
- (c) whether leave encashment benefits are treated as salary for the purpose of Provident Fund;
- (d) if so, the details thereof;
- (e) if not, whether the Government recover the amount deposited from Coal Mines Provident Fund Authority; and
- (f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION)

(a) & (b): The amount of Rs. 17.26 crores towards Provident Fund contribution (employer share) on leave encashment for the period of April, 2008 to March, 2009 was deposited by Coal India Ltd in accordance with the directives of the Coal Mines Provident Fund, Commissioner given in 1981 and reiterated in 1988 clarifying that the leave salary is subject to Provident Fund deduction and, therefore, encashment of leave will also qualify for deduction of Provident Fund Contribution. As per Para 27(2A) of the Coal Mines Provident Fund Scheme, 1948, the Coal Mines Provident Fund Commissioner is the competent authority to decide as to whether a particular payment is a part of total emoluments or not.

(c) & (d): The Commissioner, CMPFO is of the view that as per the interpretation of the provisions of Coal Mines Provident Fund Scheme, 1948, the leave encashment benefits are treated as Salary for the purpose of deduction of Provident Fund Contribution.