

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3286  
ANSWERED ON:30.08.2013  
PENSION SCHEME FOR FCI EMPLOYEES  
Karunakaran Shri P.

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

- (a) Whether any proposal has been received from Food Corporation of India (FCI), regarding implementation of Pension Scheme for its employees and if so, the date when the proposal was received;
- (b) the present status of the proposal along with the reasons for refusal, if any;
- (c) whether the proposal has been examined in the light of the guidelines of Department of Public Enterprises and if so, the details thereof; and
- (d) whether a Memorandum of Settlement notice has been signed regarding the implementation of Pension Scheme in FCI, with prior approval of Finance Ministry and if so, the details thereof?

**Answer**

MINISTER OF STATE FOR FINANCE (E & FS) (SHRI NAMO NARAIN MEENA)

(a) & (b) : The proposal for introduction of pension scheme for the employees of Food Corporation of India (FCI) was received in the Department of Expenditure from the Department of Food & Public Distribution on 25.09.2012 and on 7.11.2012.

The proposal was not concurred by Ministry of Finance for the following reasons:

- (i) The employees of FCI are already subscribing to Contributory Provident Fund (CPF) and a part of the employer's contribution is being transferred towards the Employees Pension Scheme-1995. In case, the present proposal is agreed to, it would lead to operation of three retirement benefits/pension schemes concurrently for the employees of FCI.
- (ii) FCI is already paying matching contribution @12% of basic pay+ Dearness Allowance (DA) to the existing CPF Scheme; it may not be feasible to make further contribution @10% of basic pay + DA to the proposed scheme.
- (iii) In addition, the FCI would also have to bear the cost of administration of Trust, Fund Management and recordkeeping charges if the New Pension Scheme is implemented.

Department of Food & Public Distribution have again referred back the proposal to Ministry of Finance on 1.7.2013.

(c) The Proposal was examined in the light of Department of Public Enterprises(DPE) guidelines contained in Office Memorandum dated 26.11.2008 wherein it has been stipulated that Central Public Sector Enterprises (CPSEs) would be allowed 30% of Basic Pay plus DA as superannuation benefits, which may include Contributory Provident Fund, Gratuity, Pension and Post- Superannuation Medical Benefits. DPE guidelines dated 2.4.2009, further provided that the ceiling mentioned under various items given in Office Memorandum dated 26.11,2008 and 9.2.2009 are maximum permissible limits. However, lower limits against these maximum permissible limits can be provided in the Presidential Directives, depending upon affordability capacity to pay and sustainability of the concerned CPSEs.

(d) Ministry of Finance has not approved any proposal regarding the implementation of Pension Scheme in FCI.