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Government of India

Ministry of Heavy Industries & Public Enterprises

Department of Public Enterprises

Public Enterprises Bhawan

Block No. 14, CGO Complex,

Lodhi Road, New Delhi-110003

Dated: 2<sup>nd</sup> July, 2011

OFFICE MEMORANDUM

**Sub: Creation of Corpus for retired employees of CPSEs**

The undersigned is directed to refer to O.M. of even number dated 8.07.2009 on the subject mentioned above providing Board of Directors of each CPSE to frame a suitable scheme keeping in view the guidelines contained in the aforesaid O.M., based on their need and affordability and submit proposal to the Administrative Ministry/Department for approval. Subsequent to issue of O.M. dated 08.07.2009, a number of representations have been received in this Department, requesting for modifications in the Scheme. Government has accordingly reviewed the efficacy of the scheme as conveyed in O.M. of even number dated 08.07.2009.

2. In view of the above, the following has been decided:-

- i) Administrative Ministry/Department may consider creating a common corpus for the retired employees of the CPSEs, under their Administrative control. The purpose of the corpus would be to take care of medical and any other emergency needs of retired employees.
- ii) Each CPSE under the Administrative Ministry/ Department, to contribute not more than 1.5% of its PBT for the above said corpus.
- iii) A Committee, headed by an Independent Director, to be decided by Ministry/Department may be formed by the respective administrative Ministry/ Department for implementation of said corpus.
- iv) Scheme based on individual CPSE as conveyed in O.M. dated 08.07.2009 to continue but basic conditions like not more than 1.5% PBT (whether Ministry/Department based and/or individual CPSE based) and no budgetary support by Government would apply to the Ministry/Department based scheme proposed now. Therefore, there may be a situation, where a CPSE under a Ministry/Department may have a separate scheme for its retired employees,

