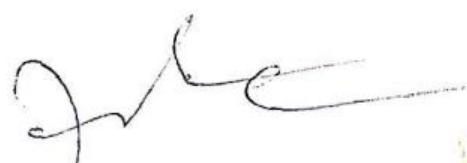


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Bill No. 132 of 1970

THE SALARIES AND ALLOWANCES OF MINISTERS
BILL, 1970

By

SHRI N. DANDEKAR, M.P.

SHRI M. R. MASANI, M.P.

A
BILL

*to consolidate and amend the law relating to the salaries and allowances
of Ministers.*

BE it enacted by Parliament in the Twenty-first Year of the Republic
of India as follows:—

- | | |
|--|--|
| 1. (1) This Act may be called the Salaries and Allowances of Ministers
Act, 1970. | Short title
and com-
mence-
ment. |
| 5 (2) It shall come into force from the 1st day of April, 1971. | |
| 2. In this Act, "Minister" means a member of the Council of Ministers,
by whatever name called, and includes a Deputy Minister. | Definition. |
| 3. (1) There shall be paid to each Minister, other than a Deputy
Minister, a salary of thirty-seven thousand and five hundred rupees per
10 mensem, and to each Deputy Minister a salary of sixteen thousand two
hundred and fifty rupees per mensem. | Salaries
of
Ministers. |

(2) Notwithstanding anything to the contrary contained in any other law for the time being in force, the whole of the salary paid as aforesaid to a Minister or Deputy Minister shall be included in his total income under the head "Salary" for purposes of being charged to income-tax under the Income-tax Act, 1961.

5 43 of 1961.

Residence
of
Ministers.

4. (1) Each Minister shall be entitled to the use of and shall reside in an official furnished residence throughout his term of office and he shall pay in respect thereof the following charges, that is to say—

Particulars of charges	In respect of		10
	A Minister	A Deputy Minister	
	Charge (Rupees per mensem)	Charge (Rupees per mensem)	
i. Rent, Rates & Taxes, and Decoration, Maintenance & Repairs of the Premises, consisting of a fully furnished residence (equipped with all necessary appliances and a telephone) together with staff quarters and other buildings appurtenant thereto and the gardens thereof :	2,200	1,600	15
ii. Salaries and Allowances of gardeners, watchmen and sweeper :	500	500	20
iii. Electricity, water and Telephone:	300	300	

(2) On the relinquishment of office by a Minister, whether by resignation, retirement or otherwise, he shall be entitled to continue to have the use of the furnished residence for a period of one month immediately after such relinquishment, free of rent and all other charges.

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(3) In the event of the death of a Minister, his family shall be entitled to continue to have the use of the furnished residence occupied by the Minister for a period of two months immediately after his death, free of rent and all other charges.

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Sumptuary
Allowance.

5. No sumptuary allowance or any other allowance of the nature of entertainment allowance shall be granted to any Minister other than the Prime Minister who shall be paid such allowance as may be provided under the rules made in this behalf by the Central Government.

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Travelling
and Daily
Allowances.

6. (1) Subject to any rules made in this behalf by the Central Government, a Minister shall be entitled to—

(a) travelling allowances for himself and the members of his family and for the transport of his and his family's effects—

(i) in respect of the journey to Delhi from his usual place of residence outside Delhi for assuming office; and

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(ii) in respect of the journey from Delhi to his usual place of residence outside Delhi on relinquishing office; and

(b) travelling and daily allowances in respect of tours undertaken by him in the discharge of his official duties, whether by sea, land or air.

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(2) Any travelling allowance payable under this section shall be paid by a crossed cheque drawn on a bank or free official transport may be provided in lieu thereof.

(3) There shall be deducted from every Minister's salary the sum of 5 six hundred rupees per mensem to recover the cost of travelling undertaken by him during the year for private, personal and political purposes and included in the travelling allowance paid to him as aforesaid and for private and personal use of official transport.

7. Subject to any rules made in this behalf by the Central Government, 10 a Minister and the members of his family shall be entitled free of charge to accommodation in hospitals maintained by the Government and also to medical treatment.

Medical treatment etc.

8. There may be paid to any Minister by way of a repayable advance such sum of money as may be determined by rules made in this behalf for 15 the purchase of a motor car in order that he may be also to discharge conveniently and efficiently the duties of his office, provided however that such advance shall bear interest at ten per cent per annum.

Advance to Ministers for purchase of Motor Cars.

9. No person in receipt of a salary or allowance under this Act shall be entitled to receive any sum out of funds provided by Parliament by 20 way of salary or allowance in respect of his membership of either House of Parliament.

Ministers not to draw salary or allowances as Members of Parliament.

10. The date on which any person became or ceased to be a Minister shall be published in the Official Gazette, and any such notification shall be conclusive evidence of the fact that he became, or ceased to be, a 25 Minister on that date for all the purposes of this Act.

Notification respecting date of appointment etc. of Ministers.

11. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

(2) All rules made under this Act shall be laid before both Houses of Parliament as soon as may be after they are made.

30 12. The Salaries and Allowances of Ministers Act, 1952 is hereby repealed.

Repeal of Act LVIII of 1952.

STATEMENT OF OBJECTS AND REASONS

The main object of this Bill is to make clear to the public the true extent of the over-all emoluments now being received by the Council of Ministers of the Central Government, and to indicate to the tax-payers in particular the true cost thereof.

It therefore, seeks, firstly, to evaluate in money terms the various benefits, perquisites and amenities which the Ministers presently enjoy free of all taxes; and secondly, to *enhance* their gross salaries to an adequate level, so that—

- (a) the *net salary* of the Ministers *after tax* may be such that there may be enough left over with them to pay for all the benefits, perquisites and amenities on the scale at which they presently enjoy them (without any payment and free of tax); and
- (b) the balance then left over with them, i.e. their "take-home" pay after making all payments both for taxes and for perquisites etc., should be not less than their present net "take home" emoluments.

It is not intended to make, nor does the Bill in fact make, any substantial change, whether by way of increase or decrease, in the money value of the present aggregate real emoluments of the Ministers (inclusive of allowances, benefits, perquisites and amenities).

NEW DELHI;
The 2nd September, 1970.

N. DANDEKAR,
M. R. MASANI.

NOTES ON CLAUSES

Long Title:

The Bill seeks to consolidate (and also to amend and supplement) the law relating to the Salaries & Allowances of Ministers, at present contained in Act LVIII of 1952 as amended by Act 47 of 1969.

Clause 1:

Seeks to bring the new Act into effect from 1st April, 1971, so as to allow a short period of transition.

Clause 2:

Repeats the "Definition" of Minister contained in Act LVIII of 1952.

Clause 3:

Seeks to refix the salaries of Ministers and Deputy Ministers at such a level that:

- (a) *after payment* by them of the full income-tax and surcharge thereon at the rates now in force for deduction of tax from salaries, and
- (b) *after payment* by them for the various perquisites, benefits and amenities as set out in Clauses 4(i) and 6(iii) of the Bill,—

they may receive virtually the same, (in fact very slightly more), net "take-home" emoluments (inclusive of Sumptuary Allowance as regards all Ministers other than Deputy Ministers), as they would now.

*Table of Comparative Annual Emoluments
(At Present and As Proposed)*

	Minister		Deputy Minister	
	Present	Proposed	Present	Proposed
	Rs.	Rs.	Rs.	Rs.
1. Salary	₹ 27,000	₹ 450,000	₹ 21,000	195,000
2. Sumptuary Allowance.	6,000*	nil	nil	nil
	₹ 33,000	450,000	₹ 21,000	195,000
Less : Tax	5,280	378,950	3,080	140,800
3. Balance.	₹ 27,720	₹ 71,050	17,920	54,200
Less : Deductions for				
Rent	nil	26,400	nil	19,200
Staff salaries	nil	6,000	nil	6,000
Electricity, Water and Telephone	nil	3,600	nil	3,600
Travel & Transport	nil	7,200	nil	7,200
4. Total Deductions	nil	43,200	nil	36,000
5. Net "Take-Home" Emoluments	27,720	27,850	17,920	18,200

*Tax Free.

Clause 4:

Sub-clause (1) seeks to specify the perquisites, benefits and amenities to be provided to the Ministers *on payment by them* at the scale there prescribed. Particulars of these have been ascertained from the following official sources:

Answers to various "Starred" and "Unstarred Questions" and various "Papers laid on the Table" concerning these matters in the Lok Sabha and Rajya Sabha in 1968, 1969 and 1970 (upto August).

The money values of the requisites, benefits and amenities have been conservatively estimated, at considerably less than their market values, so as to cause no hardship.

Sub-clauses (2) and (3) provide that no payment for any perquisite etc. need be made for a period of one month following the relinquishment of his office by a Minister and for a period of two months following the death of a Minister.

Clause 5:

Seeks to prohibit the payment of any "sumptuary" or other allowance of the nature of "entertainment" allowance to any Minister, other than the Prime Minister. However, in fixing the *gross* salary of all Ministers (other than Deputy Ministers, but including the Prime Minister) care has been taken to ensure that their net emoluments (after tax and after payment for perquisites, benefits and amenities) shall enable them to incur expenditure upto Rs. 6,000 p.a. on entertainment.

Clause 6:

Sub-clause (3) seeks to require every Minister to pay Rs. 7,200/- p.a. for that portion of his "official travelling" which is deemed to be reasonably attributable to personal, political and private purposes, and for the personal and private use of official transport. However, as in the case of all other benefits and amenities, this requirement has been taken into account in so fixing the gross salary of Ministers under Clause 3(1) of the Bill that they may not be out-of-pocket by reason of this change.

Clauses 7 to 11:

These are self-explanatory and make no change in the present position.

Clause 12:

Seeks to repeal Act LVIII of 1952.

FINANCIAL MEMORANDUM

1. Clause 3 of the Bill involves additional expenditure on the salaries of Ministers, as follows:

In the case of Ministers (other than Deputy Ministers)	Rs. 4,23,000 (gross) per Minister per annum.
In the case of Deputy Minister	Rs. 1,74,000 (gross) per Dy. Minister per annum.

2. Almost the whole of this will be recouped mainly by certain recoveries to be made from the Ministers, and partly by the abolition of their Sumptuary Allowance, as shown below:

Particulars	Amount Rs.		Clause of the Bill
	Minister	Dy. Minister	
a. Additional Income-tax and surcharge (at 1971-72 rates)	373,670	137,720	3(2)
b. Recovery of charges towards :			
(i) Rent, Rates & taxes and Repairs, Decoration and Maintenance of Furnished Residence, and buildings appurtenant thereto including staff quarters	26,400	19,200	4(1)
(ii) Salaries of necessary staff attached thereto	6,000	6,000	,,
(iii) Electricity, Water and telephone	3,600	3,600	,,
(iv) Travelling for private, Personal and Political purposes included in T. A./ D. A. Bills	7,200	7,200	6(3)
(v) Private use of official transport			
c. Abolition of Sumptuary Allowance	6,000	*	5
	Rs. 422,870	Rs. 173,720	

3. Hence, the net additional expenditure involved under the Bill will be (Rs. 423,000—422,870)=Rs. 130 per annum per Minister and (Rs. 174,000—173,720)=Rs. 280 per annum per Deputy Minister.

4. Accordingly the total net additional expenditure involved under this Bill is estimated at less than Rs. 10,000 per annum as follows:—

In respect of 37 Ministers=(130+37)	4,810
In respect of 18 Deputy Ministers=(280+18)	5,040
Total :	Rs. 9,850

*Deputy Ministers get no Sumptuary Allowance.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The extent of delegation under Clause 11 of the Bill is well within the usual scope of Delegated Legislation.

LOK SABHA

A

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