

THE SALARIES AND ALLOWANCES OF MINISTERS BILL, 1970.

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)

	<u>Minister.</u>		<u>Deputy Minister.</u>	
	<u>Present.</u> Rs.	<u>Proposed.</u> Rs.	<u>Present.</u> Rs.	<u>Proposed.</u> 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
<u>Less: Tax</u>	<u>5,280</u>	<u>378,950</u>	<u>3,080</u>	<u>140,800</u>
3. Balance.	27,720	71,050	17,920	54,200
<u>Less: Deductions for</u>				
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
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* Tax Free.

Clause 4:

Sub-clause (i) 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 perquisites, benefits and amenities have been conservatively estimated, at considerably less than their market values, so as to cause no hardship.

Sub-clause (ii) provides 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 (iii) 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(i) 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.

L.D.

(N. Dandekar)
Member of Parliament
Lok Sabha, Division No.452.