

THE SALARIES AND ALLOWANCES OF MINISTERS BILL, 1970.

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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:-

Short Title
and
Commencement.

1. (1) This Act may be called the Salaries and Allowances of Ministers Act, 1970.
- (2) It shall come into force from the 1st day of April 1971.

Definition.

2. In this Act, "Minister" means a member of the Council of Ministers, by whatever name called, and includes a Deputy Minister.

Salaries of
Ministers.

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 mensem, and to each Deputy Minister a salary of twenty-five thousand rupees per mensem.
- (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.

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 by deduction from his salary the following charges, that is to say -

<u>Particulars of charges.</u>	<u>In respect of -</u>	
	<u>A Minister:</u>	<u>A Deputy Minister:</u>
	<u>Charge</u>	<u>Charge</u>
	<u>(Rupees</u>	<u>(Rupees</u>
	<u>per mensem)</u>	<u>per mensem)</u>
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
ii. Salaries and Allowances of gardeners, watchmen and a sweeper:	500	500
iii. Electricity, Water and Telephone.	300	300

(2) On the relinquishment of office by ^athe 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.

(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.

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.

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
- (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.

(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 six hundred rupees per mensem to recover the cost of travelling undertaken 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.

Medical Treatment, etc.

7. Subject to any rules made in this behalf by the Central Government, 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.

Advance to Ministers for purchase of Motor-Cars.

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 the purchase of a motor car in order that he may be able to discharge conveniently and efficiently the duties of his office, provided however that such advance shall bear interest at ten percent per annum.

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

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

Notification respecting date of appointment etc. of Ministers.

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 Minister on that date for all the purposes of this Act.

Power to make Rules.

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

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

Repeal of
Act LVIII
of 1952.

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

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

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STATEMENT OF OBJECTS AND REASONS.

The Salaries & Allowances of Ministers Bill, 1970

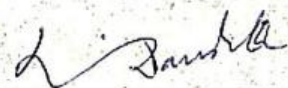
The main object of this Bill is to make clear to the public the true extent of the over-all emoluments now being received by the Council of Ministers of the Central Government, and to indicate to the tax-payers in particular the true cost thereof.

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,

- (a) so that the net salary of the Ministers after tax may be such that there may be enough left over with them, for 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) so that ^{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 no less than their present net "take-home" emoluments.

Thus, it is not intended to make, nor does the Bill in fact make, any 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).

In this way, another object of the Bill is also sought to be achieved, namely, to bring the financial terms and conditions of service of Ministers, as respects their salaries, allowances, benefits perquisites and amenities, more or less in line with those of other high level executives in the country, but keeping in mind the more onerous duties and the far greater responsibilities undertaken by the Ministers.


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SALARIES AND ALLOWANCES OF MINISTER.

Comparative Statement showing I - as proposed
II - as at present.

PARTICULARS Salary, Allowances, Perquisites, Amenities & Benefits.	FOR MINISTERS other than Deputy Ministers.		REMARKS (References)
	Details:	Total:	
	Rupees per mensem.	Rupees per Annum.	
I. 1. <u>Proposed</u> Gross Salary (before tax)	37,500	450,000	Clause 3 of the Bill.
2. <u>Less:</u> Income-tax and Surcharge*	31,579	378,950	) Part III- 1st
3. NET SALARY (after tax)	5,921	71,050	) Schedule -
4. <u>ADD:</u> (a) Tax-Free Allowances	..	..	) Finance Act-1970.
(b) Value of Free Perquisites	..	..	
5. TOTAL Emoluments (after tax)@	5,921	71,050	
6. <u>LESS:</u> Deductions from net salary:-			Clause 4 of the Bill -
(a) Rent & other charges for Furnished Residence.	2,200	26,400	) Lok Sabha-Table) Paper No.115/ of '68) See also Answer) Unstarred Qn.6990) of 21.4.69
(b) Salaries of staff attached thereto.	500	6,000	} Estimated. - Clause of the Bill - Lok Sabha Table Paper 115/1968
(c) Electricity, Water & Telephone.	300	3,600	
(d) Recovery for Private, Personal & Political Travelling included in T.A./D.A. Bills; and for Private use of Official Transport.	600	7,200	) Estimated at 1/5) of Expenditure -) See also Answer) Starred Question) 1617 of 3.5.1968.
Total Deductions:	3,600	43,200	Clause 6 of the Bill
7. NET "Take-home" Emoluments**	2,321	27,850	
II. 1. <u>Present</u> Gross Salary (before tax)	2,250	27,000	Sec.3 of Act LVIII of 1952.
2. <u>LESS:</u> Income-tax and Surcharge*	440	5,280	) Part III - 1st
3. NET Salary(after tax)	1,810	21,720	) Schedule- Finance) Act-170.
4. <u>ADD:</u> Sumptuary Allowance (tax-free)	500	6,000	Sec.5 of Act of 1952.
5. NET "Take-home" Emoluments **	2,310	27,720	
6. <u>ADD:</u> Tax-free value of Free Perquisites Benefits & Amenities.			) See Reference abo
(a) Rent & other charges of Furnished Residence.	2,200	26,400	) against Item I-6
(b) Salaries of staff attached thereto	500	6,000	" " " I-6
(c) Electricity, Water & Telephone	300	3,600	" " " I-6
(d) Free Private Travel & Use of Official Transport.	600	7,200	" " "
7. TOTAL Emoluments (after tax)@	5,910	70,920	

* At the rates applicable for assessment year 1971-72.

** Item I-7 to be compared with Item II-5.

@ Item I-5 to be compared with Item II-7.

(N.Dandekar)