

# INCOME LIMIT FOR CREAMY LAYER

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Ministry of Social Justice & Empowerment

## Income limit for Creamy Layer

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The erstwhile Ministry of Welfare had constituted the Expert Committee and on its basis Department of Personnel and Training has issued Office Memorandum Vide No.36033/3/2004-Estt. (Res) dated 9<sup>th</sup> March, 2004 on the subject "Revision of Income criteria to exclude socially advanced persons/sections (Creamy Layer) from the purview of reservation for Other Backward Classes (OBCs)". In the Office Memorandum dated 08<sup>th</sup> September 1993, and for the category VI of the Schedule, the following explanations were also mentioned:-

- i. Income from salaries or agricultural land shall not be clubbed;
- ii. The income criteria in terms of rupee will be modified taking into account the change in its value every three years. If the situation, however, so demands, the interregnum may be less.

In para 27 of the Report, the Expert Committee of 1993 had observed the following:

"In addition to the above, we have to say that the income/wealth test governs categories IV, VB and VC as stated earlier. For the remaining categories, namely I, II,III and VA, specific criteria have been laid down; however, if in these categories, any person, who is not disentitled to benefit of reservation, has income from other sources or wealth, which will bring him within the criterion under Item No.VI, then he shall be disentitled to reservation, in case his income-without clubbing his income from salaries or agricultural land – or his wealth is in excess or cut-off points prescribed under the income/wealth criteria."

From the reading of para-27 of the Expert Committee Report, it is clear that the Explanation (i) given below to Category VI of Schedule to OM dated 08.09.1993, that income from salaries or agricultural land shall not be clubbed would be applicable only in respect of category VI(b). Hence as per provision of O.M. dated 08.09.1993, the salary of the parents of the candidates, who are working in PSUs, PSBs etc., was taken into account for determining their Creamy Layer status, till such time the equivalence vis-à-vis Government posts is established.

The erstwhile National Commission for Backward Classes (NCBC) in 2011 had recommended Rs. 9 lakh for Rural and Rs. 12 lakh for Urban for income limit for creamy layer.

In the year of 2015, the erstwhile National Commission for Backward Classes had recommended Rs. 15 lakh for income limit for Creamy layer.

The Cabinet in 2004 had decided to follow the Consumer Price Index (CPI) principle which has been adopted and not the formula recommended by NCBC.

This information was given by Minister of State for Social Justice and Empowerment Shri Krishan Pal Gurjar in a written reply in Lok Sabha today.

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