

# **Creamy Layer: OBC**



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## Why in News

Recently, some MPs have raised the issue of defining Creamy Layer in the ongoing Monsoon Session of Parliament.

Further, the **Justice Rohini committee** is considering the sub-categorization of OBC quota and if any particular community or group of communities are benefiting most from the OBC quota and how to iron out anomalies.

### **Key Points**

#### Background:

- Based on the recommendation of the **Second Backward Classes Commission** (Mandal Commission), the government in August, 1990 had notified 27% reservation for Socially and Educationally Backward Classes (SEBCs) in vacancies in civil posts and services that are to be filled on direct recruitment.
- After this was challenged, the Supreme Court in November, 1992 (Indira **Sawhney case)** upheld 27% reservation for OBCs, subject to exclusion of the creamy layer.

#### Definition:

- It is a concept that sets a threshold within which OBC reservation benefits are applicable.
- While there is a 27% guota for OBCs in government jobs and higher educational institutions, those falling within the "creamy layer" (various categories based on income and parents' rank) cannot get the benefits of this guota.
- Other than the income limit, the current definition of the creamy layer remains the same.

#### • Categories defined under Creamy Layer:

- Income beyond 8 lakh:
  - For those not in government, the current threshold is an income of Rs 8 lakh per year.
  - The income threshold is supposed to be raised every three years. It was last revised in 2017 (more than three years now).
- Parents' rank: For children of government employees, the threshold is based on their parents' rank and not income.
  - For instance, an individual is considered to fall within the creamy layer if either of his or her parents is in a constitutional post; if either parent has been directly recruited in Group-A; or if both parents are in Group-B services.
  - If the parents enter Group-A through promotion before the age of 40, their children will be in the creamy layer.
  - Children of a Colonel or higher-ranked officer in the Army, and children of officers of similar ranks in the Navy and Air Force, too, come under the creamy layer. There are other criteria as well.

#### Government's Proposal:

- A draft Cabinet note has stated that the creamy layer will be determined on all income, including salary calculated for income tax, but not agriculture income.
- The government is considering a consensus on Rs 12 lakh, whereas Parliament
  Committee has recommended to raise upto 15 lakh per year.

It also **recommended excluding salary and agricultural revenue** while calculating the annual income ceiling for the creamy layer category of OBCs

Source: IE