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No. AIBSNLOA/CHQ/2013/167

Dated: 21st August 2013

To

Shri R. K. Goyal,
Sr. General Manager (Estt),
BSNL Corporate Office,
New Delhi

Subject: Issues related to provisions of superannuation benefits to directly Recruited BSNL employees -reg

Ref: Your office letter No.1-23-2012-PAT (BSNL) dated 12.7.2013

Sir,

This is in response to your letter cited above seeking our comments on the subject. The only information given in that letter was that "The Committee has, inter-alia, recommended that at the initial stage, the Company may contribute @ 2% of Basic Pay + DA on monthly basis and the employees may also be allowed to contribute monthly at a higher rate of Basic Pay + DA subject to a minimum of equal contribution given by the company w.e.f. the date of approval by the Administrative Ministry."

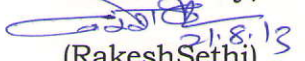
2. After the informal discussions that we had with you on the subject, we come to understand that the BSNL's proposal of 'the company contributing @ 2% of Basic Pay + DA' is in line with the Para V of Annex.-IV of DPE OM No.2 (70)/08-DPE (WC) dated 26th November 2008 which suggests that, "The CPSEs should make their own schemes to manage these funds or operate through Insurance companies on fixed contribution basis. The amount of Pension, Gratuity and Post-Retirement Benefit will be decided based on the returns from the schemes to be operated."

3. We believe that the proposal is in a very nascent stage and commenting on it now would be inappropriate, without knowing what return exactly could be obtained from insurance companies and whether such return would facilitate payment of superannuation benefits to the extent of 30% of Basic Pay + DA (as amended by DPE OM No. No.2 (70)/08-DPE (WC)/GL-VII/09 dated 2nd April, 2009).

4. We would therefore request you to kindly have broad consultations after further developments on this issue, including seeking of EOI from insurance/banking companies and the return offered by them.

With kind regards,

Yours sincerely,


(Rakesh Sethi)
21.8.13
General Secretary

Copy to:

Shri.A.N.Rai,