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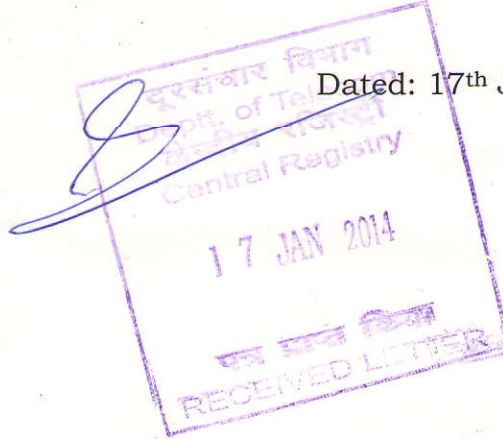
General Secretary
RAKESH SETHI
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No. AIBSNLOA/CHQ/2014/3

Dated: 17th January 2014

To

Shri M. F. Farooqui,
Secretary,
Dept. of Telecommunications,
New Delhi.



Subject: Payment of pension contribution in respect of BSNL employees – regarding

R/Sir,

We would like to draw your kind attention to the issue of BSNL paying pension contribution in respect of its absorbed employees on the maximum of the IDA scales instead of on actual pay drawn which is contrary to the procedure followed in respect of CDA scales.

2. Although DoT had committed in the MoU between DoT and BSNL for the years 2012-13 and 2013-14, to assist BSNL in this matter, nothing has crystallised till date. It may kindly be recalled that earlier on 8.12.2011, BSNL vide its letter No.500-57/2011-12/BSNL/CA I/VOL VI had conveyed the approval of the competent authority for pension contribution payable in the case of absorbed employees at par with those on deputation basis. This was based on DoPT decision vide its OM No.2/34/2008-Estt.(Pay II) dated 19.11.2009 providing that the pension contribution payable in respect of a Government Servant during the active period of his foreign service shall be based on the existing pay of the post held by a Government Servant, w.e.f. 1.1.2006. But subsequently BSNL vide its letter No. 500-57/2011-12/BSNL/CA I/VOL IV dated 23rd Aug 2012, ordered payment of pension contribution on the maximum of the pay scale till receipt of further clarification from DoT. It was learnt that DoT's proposal for payment of pension contribution in respect of absorbed BSNL employees on the basis of actual pay drawn **was not accepted by the Ministry of Finance.**

3. Now it is on record that the Union Cabinet on 26.11.2013 has approved the proposal of the Group of Ministers that "erstwhile employees of DoT absorbed in MTNL and who have opted for combined service may be given similar treatment in the matter of payment of pensionary benefits as available to the absorbed employees of BSNL. Accordingly, consequential amendments to the CCS (Pension) Rules, adjustments in respect of Government pension liability previously discharged by MTNL and **proposed change in methodology in pension contribution as per FR-116 upto 31.12.2005 on the maximum of the IDA pay scales and with effect from 01.01.2006 on the actual pay drawn in the IDA pay scales,** will be made."

4. Since, the Hon'ble Minister of Finance happens to be the Chairman of the Group of Ministers and has been also a party to the cabinet decision, there should not be any difficulty in getting the concurrence of Ministry of Finance in DoT's long pending proposal for allowing BSNL to pay pension contribution in respect of its employees on the basis of actual pay drawn w.e.f. 1.1.2006.

5. We therefore request you to kindly utilize this opportunity to get Government's approval for pension contribution in respect of BSNL employees on the basis of actual pay drawn w.e.f.1.1.2006, while the proposed change in methodology in respect of MTNL is finalized. Consequently the excess amount paid by BSNL needs to be returned to BSNL. This will go a long way in revival of BSNL, as BSNL has been contributing unduly huge amounts towards pension during the past several years.

With kind regards,

Yours sincerely,

 17.1.2014

(Rakesh Sethi)

General Secretary

Copy to: 1. Shri Kapil Sibal
Hon'ble Minister of Communications
2. Shri P. Chidambaram,
Hon'ble Minister of Finance
3. Shri R. K. Upadhyay,
CMD, BSNL