



**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
OFFICERS' ASSOCIATION**

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No. AIBSNLOA/CHQ/2019/8

Dated : 22nd February 2019

To

Shri Ajay Narayan Jha,
Finance Secretary & Secretary (Expenditure),
Department of Expenditure,
Ministry of Finance,
New Delhi – 110001.

Subject: Pension contribution by BSNL to the Government of India in respect of its employees permanently absorbed in BSNL – reg

R/Sir,

We have been pursuing for many years now, the request for pension contribution by BSNL to the Government of India in respect of its permanently absorbed employees in BSNL on the actual pay instead of the present practice of on the maximum of the pay scales.

2. Recently, we learnt that in response to a Department of Telecom correspondence on the subject, DoE has raised a query that "Since the concerned employees are on IDA pattern of pay scales, which are different from CDA pattern pay scale including date of effect, how far it is justified to draw a parallel from the principle of pension contribution rate based on DoPT orders which are applicable to CDA pay scales."

3. We are surprised by the query raised about applicability of the DoPT order for BSNL employees drawing pay in IDA scales. If DoPT orders are not applicable, we fail to understand as to why then BSNL has been forced to pay pension contribution as per an earlier DoPT order stipulating pension contribution on the basis of maximum of the pay scales.

4. In this regard, we would like to draw your kind attention to the following points for consideration so that an early decision is taken in respect of pension contribution by BSNL on the basis of actual pay drawn:

5. BSNL has been all along compelled to pay pension contribution in accordance with a completely irrelevant FR 116, which pertains to a Government Servants on Foreign Service or say on deputation to other departments/PSUs and cannot be made applicable to those who are permanently absorbed in the PSU. Although BSNL had to pay pension contribution since the Government is paying the pension/family pension in respect of BSNL absorbed pensioners, FR 116 and the DoPT orders dated 15.5.2000 meant for Government Servants drawing pay in CDA scales should not have been made applicable to BSNL employees.

6. However, after asking BSNL to pay pension contribution as per DOPT order dated 15.5.2000, the Government refused to implement DoPT order dated 19.11.2009 revising its earlier orders and allowing pension contribution on the actual pay w.e.f 1.1.2006. Although the DoT had committed in consecutive MoUs with BSNL that it will ensure that pension contribution on actual pay, but nothing materialised.

7. Later, the Union Cabinet on 26.12.2013, while approving similar treatment to MTNL employees in the matter of pensionary benefits as available to BSNL employees, had proposed change in methodology in pension contribution as per FR - 116 upto 31.12.2015 on the maximum of the IDA pay scales and **w.e.f. 1.1.2006 on actual pay drawn in the IDA pay scales.** Copies of the Cabinet decision reported by PIB and published in Business Standard are enclosed.

8. This association had then written to the Secretary, DoT, on 17.1.2014, wherein we had mentioned that "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." A copy of the letter was sent to the then Finance Minister, GOI. [copy of AIBSNLOA letter enclosed].

9. The Department of Expenditure forwarded our letter to DoT for appropriate action [copy enclosed] and did not raise any objection, may be because DoE was consulted before the Cabinet decision on 26.12.2013. But the Cabinet decision still remains on paper.

10. We would also like to point out that according to F.R. 117 (a), "The rates of pension contribution prescribed under rule 116 will be designed to secure to the Government servant the pension that he would have earned by service under Government if he has not been transferred to foreign service." This implies that pension contribution cannot be more than the pension one could have earned by service under Government had he not been transferred to foreign service.

11. We understand that the DoPT order dated 19.11.2009 limiting pension contribution to actual basic pay drawn, is a considered decision, based on the

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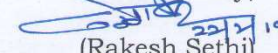
above principle and the fact that the VI CPC introduced Pay Matrix instead of the then existing Running Pay Band and Grade Pay system. For example, Grade Pay 1 to 5 comes under Pay Band 1 with Rs.5200-20200. As there is no possibility of any Government Servant on transfer to Foreign service to reach the maximum of the pay band, DoPT restricted the pension contribution to the actual pay drawn w.e.f. 1.1.2006, the date of implementation of Government decision on the recommendations of VI CPC .

12. In BSNL too, due to availability of time bound financial upgradations every 4 to 5 years, no one will reach the maximum of his present pay scale. Therefore, following the DoPT OM dated 19.11.2009 in respect of BSNL absorbed employees drawing IDA pay scales, is justified legally as well as rationally.

13. We, therefore, request you to consider all the above points, before taking a final decision on the issue. We also request you to expedite a decision in this regard, since it will be of great relief to BSNL which is facing financial problems.

With kind regards,

Yours sincerely,


(Rakesh Sethi)
General Secretary

- Copy to: 1. Shri Arun Jaitley,
Hon'ble Minister of Finance, GOI.
2. Shri Manoj Sinha,
Hon'ble Minister of State for Communications, GOI.
3. Ms. Aruna Sundararajan,
Secretary, DoT.
4. Shri Anupam Shrivastava,
CMD, BSNL



5.20 PM