



**ALL INDIA
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OFFICERS' ASSOCIATION**

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Dated: 16th May 2019

To

Shri Girish Chandra Murmu,
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 - regarding

Ref: Our letter No. AIBSNLOA/CHQ/2019/8 dated 22nd February 2019

R/Sir,

This is in continuation of our letter cited under reference (copy enclosed) requesting to allow pension contribution by BSNL to the Government of India in respect of its permanently absorbed employees on the basis of actual pay instead of the present practice of on the basis of maximum of the pay scales.

2. Under Paras 11 & 12 of our said letter, we had observed that

"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 above principle and the fact that the VI CPC introduced Running Pay Band and Grade Pa; instead of the then existing Pay Matrix. 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."

3. According to the information obtained under RTI Act 2005, we find that Department of Expenditure, after examining DOP&T Note, on the need for deciding the pay on which pension contribution under FR 116 is to be calculated, consequent to introduction of the concept of pay band and grade pay by the VI CPC, had proposed pension contribution on existing basic pay instead of the then existing practice of pension contribution on the basis

of maximum of the pay scale. This proposal was later implemented by issue of an O.M by the DoP&T vide No.2/34/2008-Estt. (Pay II) dated 19th November 2009.

4. In the said proposal by DoE vide MoF (DoE) ID No.228 (SO)(E-III(A)/08 dated 19th December 2008, it has been clearly stated that

“With the introduction of Modified ACP Scheme under which an employee will now get financial upgradation to the next higher grade pay on completion of 10 years of service, under normal circumstances, no government servant is likely to remain in a particular grade for more than 10 years. In the light of this position, it is proposed that instead of the present practice of basing the calculation of pension contribution during the active period of foreign service on the basis of the maximum of the pay scale plus dearness pay appropriate to such maximum plus interim relief appropriate to such maximum, such calculations may now be based on the existing basic pay of the Government Servant.”

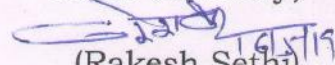
5. As pointed out in our earlier letter, due to availability of time bound upgradations after every 4 years to 5 years in respect of BSNL executives and every 7 years to 8 years in respect of BSNL non-executives, no one will remain in the same scale for more than 5 years/8 years. Therefore, the ground for extending the method of pension contribution on the basis of actual pay in respect of Government Servants absolutely holds good for extending the same to absorbed BSNL employees, whose pension contribution is covered by the same FR 116. Provisions of FR 116 cannot be implemented differently for different employees covered by the same FR 116, whether they are in CDA or IDA scales.

6. DoP&PW had long back in the year 2013 concurred with a GOM decision to extend this methodology to MTNL/BSNL employees w.e.f. 1.1.2006. But approval for the same was put on hold in the last minute due to DoE taking a stand that pay structure of BSNL was completely different. Now that DoT has furnished the clarifications sought by the DoE, it is time for the DoE to review its earlier stand, based on its own reasoning for pension contribution on actual pay, as conveyed in the ID note No.228 (SO)(E-III(A)/08 dated 19th December 2008.

7. We, therefore, request you to consider 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. Ms. Aruna Sundararajan,
Secretary, DoT.
2. Shri Anupam Shrivastava,
CMD, BSNL