

**Press Information Bureau
Government of India
Cabinet**

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Disbursement of pensionary benefits to all the combined service pension optee absorbed employees of Mahanagar Telephone Nigam Limited (MTNL)

The Union Cabinet today approved the erstwhile all categories (Group A, B, C & D) of employees of the government 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 Central Civil Services (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.

Based on the approval for payment of pensionary benefits to the erstwhile government employees absorbed in MTNL who have opted for combined pension in the same manner as in BSNL, necessary amendments in Rule 37-A of CCS (Pension) Rules, 1972 to include MTNL along with BSNL, will be issued and adjustments in respect of Government pension liability previously discharged by MTNL will be done within three months.

This would help to resolve the long pending MTNL pension issue. The proposal entails an estimated recurring expenditure of approximately Rs. 500 Cr per annum besides adjustments in respect of Government pension liability previously discharged by MTNL. This decision would give benefit to approximately 43000 employees of Delhi and Mumbai.

SC/VK