**ALL INDIA BSNL PENSIONERS WEFARE ASSOCIATION**

(REGD. 1833/09)

**CENTRAL HEADQUARTERS**

B1,SHARADHA NIWAS, 3/2,SRINIVASA AVENUE ROAD, ,R.A.PURAM, CHENNAI600028

P. S. Raman Kutty G. Natarajan

**President General Secretary**

**0944755155 09444929799**

To

Shri Rakesh Garg,

Secretary, Department of Telecom,

Room No.210, Sanchar Bhawan, (secy-dot@nic.in)

New Delhi-110001.

Respected Sir,

Sub:- **Same Fitment formula of 7th CPC for BSNL IDA Pensioners**

Ref: **Our letter dt.22/4/2015, 2/7/2015 & 4/8/2015**

With reference to the above subject we submit the following for your kind perusal and further action please.

2. We met Member (Finance), DoT, on 20/4/15 and on many subsequent occasions, & discussed this issue with her. We met Secretary, DoT on 4/8/2015 and discussed this issue. We once again reiterate our demand and submit our case in a nut-shell.

3. DoP&PW O.M. dated 5/7/1989 states “The Govt. servants who opt to be governed by the pensionary benefits available under the Government, shall at the time of their retirement, be entitled to pension etc., in accordance with the Central Govt. rules in force at that time. **Para 7 of that O.M. states** *“These orders will also be applicable to those Govt. servants who would be absorbed in the MTNL, VSNL, NAAI etc. (BSNL was not in existence at that point of time).*

4. BSNL employees absorbed from DoT are covered by CCS Pension rules (1972) for payment of pensionary benefits as any other CG Pensioner and the same is paid by Govt. of India in accordance with sub rule 21 of Rule 37-A.

**5. As per “Explanation” under sub-rule 8 of 37-A “the amount of pension/family pension of the absorbed employee on retirement or on death from Public Sector Undertaking shall be calculated in the same way as calculated in the case of a Central Government servant retiring or dying on the same day”.**

6. DoP&PW O.M. dated 1/9/2008 & 3/10/2008 says ***“These orders apply to all the pensioners/Family Pensioners who were drawing pension/FP on 1/1/2006 under CCS (Pension) Rules 1972”.***  DoT vide its order dated 23/10/2008 endorsed DoP&PW O.M. dtd. 3/10/2008 & 14/10/2008

7. DoT sought clarification vide its I.D. No.40-31/2008-Pen(T) dtd.18/3/2009 from DoP&PW regarding applicability of Revised Rules w.e.f. 1/1/2006 with regard to 6th CPC to ex-DoT employees

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absorbed in BSNL and ***DoP&PW in its letter to DoT dtd. 27/4/2009 stated “BSNL is the only PSU that has been granted a special dispensation under sub-rule 21 of Rule 37-A to the effect that pensionary benefits including FP to the absorbed employees of BSNL is paid by the Govt”.*** DoT order No.40-31/2008-Pen(T) dated 4th/15th May 2009 stated that **“Revised rules of pension calculation as per 6th CPC with regard to limit of DCRG, Commutation table, emoluments, qualifying service etc. is applicable to IDA pensioners of BSNL covered under Rule 37-A w.e.f. 1/1/2006”.** DoT vide its order dated 23/6/2011 endorsed DoP&PW O.M. dated 2/9/2008 & 3/10/2008 and stated that **“these are applicable to BSNL IDA pensioners also”.**

***8. There is a conception that pension is related to pay. That conception is correct for fixing the pension at the initial stage. But, for subsequent pension revision, it is based on existing pension and application of formula. To illustrate we quote para 4.1 of DoT order dated 15/3/2011 which says existing pension + 68.8% DR + 30% of the sum.***

9. The minimum pension and maximum pension are the same as CG Pensioners though the BSNL pensioners are eligible for higher minimum and maximum pension (DoT vide its O.M.No.40-13/2002-PEN(T) dated 15/1/2003 clarified under Doubt 4 as “The ceiling minimum and maximum pension as existing in CCS (Pension) Rules shall continue unless specifically approved otherwise by the Government). Para 3 of DoT letter dated 12/8/2009 stated that **“the present method of calculation of Minimum pension which is 50% of the minimum of the lowest pay scale shall continue”.** Minimum Pay in BSNL for NE-1 is Rs.7,760/- and maximum Pay of CMD, BSNL is Rs.1,25,000/- w.e.f. 1/1/2007. But the minimum and maximum pension for BSNL retirees is the same as that of CG Pensioners. It is Rs.3,500/- and Rs.45,000/- respectively even after 1/1/2007 in accordance with DoT OM No.40-17/2008-Pen(T)-Vol.III dated 15/3/2011 ( It was not 3,880/- and 62,500/-).

10. Ist PRC was appointed on 10/12/1996 under the chairmanship of Justice S.Mohan *“to examine the structure of pay, allowances, perquisites & benefits for the Board level, below board-level executives & non-unionised supervisors”.* IInd PRC was appointed on 30/11/2006 under the chairmanship of Justice M.Jagannatha Rao to consider the same. There are about 15 lakh CPSE employees working in more than 200 CPSEs. Far & few CPSEs are having pension scheme. But no CPSE executive or non-executive (except BSNL & now MTNL) is getting pension under CCS (Pension) Rules 1972. So there is no terms of reference for pension revision in PRCs. The Government may not change its stand even for 3rd PRC.

11. Wage/Allowance revision for unionized workers in CPSE depends upon bargaining capacity and affordability of the organization. BSNL has no power to make any commitments regarding pension (DoT letter to CMD, BSNL dtd. 23/7/2012 may be referred).

12. By the year 2025 all the DOT absorbees in BSNL will retire and those who will be in service after that are covered by NPS which is totally different from Defined Benefit Scheme.

13. On behalf of our Association we submitted our Memorandum to VII CPC. Our Assistant general Secretary Shri P.Gangadhararao gave oral evidence before the commission at Bangalore on 24/7/2014. Justice A.K.Mathur, Chairman, VII CPC, after going through our memorandum and after hearing the oral evidence, made a remark that there is a **“Prima-facie” in our demand.** He also told

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14. 7th CPC sought comments/information from DoT vide D.O. No.7CPC/RM/19/TEL/2014 dated 31/12/2014 on our Memorandum but DoT did not send its comments till we met Secretary, DoT on 4/8/2015. When we expressed our serious concern about the inordinate delay, Secretary, DoT informed that it would be sent soon. Accordingly the comments were sent to 7th CPC in the 3rd week of August 2015 vide their letter No.30-29/2014-Admn.I dated 17/8/2015. But by that time, 7th CPC had almost finalized its report.

15. Hon. Justice A.K.Mathur, Chairman, 7th CPC submitted the report to GoI on 19/11/2015. There was no reference in the report about “same fitment formula for BSNL retirees” ostensibly because of the above reason.

16. We met and discussed with Shri Rakesh Garg, Secretary, DoT, on 4/8/2015. After hearing our arguments patiently, he assured that even if 7th CPC does not make any recommendations with regard to BSNL IDA pensioners on fitment formula, DoT shall take up with nodal departments viz. DoP&PW, DoE etc.

17. We earnestly appeal to Secretary, DoT to take up this issue with nodal departments, as assured, without further loss of time because the Government is taking follow-up actions for implementation of 7th CPC report.

A line in reply is highly solicited.

Yours faithfully,

(G.Natarajan)

Date:- 24/12/2015 General Secretary

Copy to:

1. Shri N.Sivasailam, Addl.Secretary, (T) (ast-dot@nic.in)
2. Ms. Annie Moraes, Member (F) (memberf-dot@nic.in)
3. Shri Narendra K Yadav, Member (S) (members-dot@nic.in)

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P. S. Raman Kutty G. Natarajan

**President General Secretary**

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To

Shri Devendra Chaudhary,

Secretary, Pension, (secy-arpg@nic.in),

Lok Nayak Bhawan, Khan Market,

New Delhi.

Respected Sir,

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With reference to the above subject we submit the following for your kind perusal and further action please.

2. DoP&PW O.M. dated 5/7/1989 states “The Govt. servants who opt to be governed by the pensionary benefits available under the Government, shall at the time of their retirement, be entitled to pension etc., in accordance with the Central Govt. rules in force at that time. **Para 7 of that O.M. states** *“These orders will also be applicable to those Govt. servants who would be absorbed in the MTNL, VSNL, NAAI etc. (BSNL was not in existence at that point of time).*

3. BSNL employees absorbed from DoT are covered under CCS Pension rules (1972) for payment of pensionary benefits as any other CG Pensioner and the same is paid by Govt. of India in accordance with sub rule 21 of Rule 37-A.

**4. As per “Explanation” under sub-rule 8 of 37-A “the amount of pension/family pension of the absorbed employee on retirement or on death from Public Sector Undertaking shall be calculated in the same way as calculated in the case of a Central Government servant retiring or dying on the same day”.**

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**1/1/2006”.** DoT vide its order dated 23/6/2011 endorsed DoP&PW O.M. dated 2/9/2008 & 3/10/2008 and stated that **“these are applicable to BSNL IDA pensioners also”.**

7. Similarly the fitment formula suggested by 7th CPC and accepted by the Government may be implemented to all BSNL IDA pensioners w.e.f. 1/1/2016 and it will be regularized in subsequent periods.

***8. There is a conception that pension is related to pay. That conception is correct for fixing the pension at the initial stage. But, for subsequent pension revision, it is based on existing pension and application of formula. To illustrate we quote para 4.1 of DoT order dated 15/3/2011 which says existing pension + 68.8% IDR + 30% of the sum (the same formula was applied to serving employees of BSNL). Ofcourse, the pension cannot be less than 50% of revised minimum IDA pay. Pay of PSU employees can only be in IDA asper Apex court judgement as well DPE guidelines.***

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16. We earnestly appeal to Secretary, Pension to consider this issue at the earliest because the Government is taking follow-up actions for implementation of 7th CPC report.

A line in reply is highly solicited.

Yours faithfully,

(G.Natarajan)

Date:- 24/12/2015 General Secretary

Copy to:

Ms. Vandana Sarma, Joint Secretary (Pension),

Lok Nayak Bhawan, Khan Market,

New Delhi (vandana.sa@nic.in)

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