



Regd. No. T1833/09

ALL INDIA BSNL PENSIONERS' WELFARE ASSOCIATION

Central Head Quarters [Regd. No. T 1833/09]

Identified & Registered under 'Pensioners Portal'

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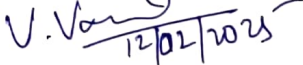
Ms.Rachna Shah,
Secretary, DoPT,
112, North Block, Central Secretariat,
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Respected Madam,

We request you, madam, to kindly include pension revision of BSNL/MTNL retirees who are absorbed from Department of Telecom (DoT) in ToR of 8th CPC because their pension revision is not included in ToR of PRC. These absorbed employees have rendered substantive portion of their service under DoT and they are different from other CPSE retirees because their pension is regulated as per CCS Pension Rules and it is paid from Central Civil Estimate. We give below the justification for your kind and favourable consideration please.

Thanking you

Yours faithfully,


12/02/2025

(V Vara Prasad)
General Secretary.

Brief for inclusion of Pension Revision in ToR of 8th CPC

- MTNL came into existence from 1/1/1986 in Delhi & Mumbai. Gr.C& D employees of DoT were absorbed in that CPSE in 1998. They were given three options viz. 100% commutation; Pro-rata monthly pension and Government pension on combined service. The officers of Gr.B & A were absorbed from 1/10/2000. MTNL was a listed company.

- BSNL was created on 1/10/2000. **It is entirely owned by the Government.** The employees of DoT were enmasse transferred to BSNL. There was only one option of Government pension on combined service at the time of their absorption. More than 3 lakh employees & officers were absorbed from DoT in BSNL. **Most of the absorbed employees have already retired and the remaining few thousands will retire by 2026 or 2027.**
- Pay of the BSNL/MTNL employees were converted to IDA from CDA in accordance with Apex Court judgement dated 3/5/1990 followed by DPE OM dated 12/6/1990 which is mandatory for any PSU started on or after 1/1/1989.
- Before formation, lot of discussion took place between the Government and the unions. **As a result, on 30/9/2000 Gazette Notification was issued by the Government for incorporating Rule 37-A in CCS (Pension) Rules, 1972. According to this rule, retirement benefits including pension/family pension of absorbed employees are paid by the Government from the Central Civil Estimate and hence they are Central Civil Pensioners. BSNL, on its part, as per this rule, has paid pension contribution at the maximum of the pay scale and not even on actual pay.**
- Explanation under sub-rule 8 of Rule 37-A states **“The amount of pension/family pension of the absorbed employee on retirement or on death from PSU shall be calculated in the same way as calculated in the case of a Central Government servant retiring or dying on the same day”.**
- 6th CPC recommendations were implemented from 1/1/2006 to C.G employees and pensioners. DoT sought clarification from DoP&PW, the nodal agency, whether those recommendations on pensionary benefits are applicable to BSNL. DoP&PW vide its reply dated 27/3/2009 clarified that **“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 employee of BSNL is paid by the Government”.** Accordingly **DoT issued orders in August 2009 for quantum of pension (50% of LPD), new commutation table, age-related additional pension, enhanced family pension, ceiling on gratuity etc. applicable to BSNL IDA pensioners w.e.f. 1/1/2006.** But their pension was not revised.
- On 9/11/2000 DoT, vide No.36-15/2000-Pen(T) issued an order and the subject matter was **Entitlement of pension, other Retirement Benefits, Job security and carry over of Leave in respect of Employees to be absorbed in BSNL.** That order stated **“It has been decided by the Government that the employees of DoT who will be absorbed in BSNL will be entitled to the Government’s scheme of pension/family pension even after their absorption in BSNL”.**
- In accordance with 2nd Pay Revision Committee (PRC) recommendations, pay/perks was revised from 1/1/2007 to the Executives in 2009. For Gr.C & D employees, pay was

revised on similar pattern, as per the negotiated settlement between BSNL management & the recognized unions in 2010.

- But, the pension for those who retired prior to 2007 was not revised. This created an anomaly between pre & post 2007 retirees. After continuous efforts and persuasion, DoT moved a Cabinet Note for pension revision, to undo the anomaly, and after its approval DoT issued OM on 15/3/2011. **DoP&PW suggested to DPE for issuing guidelines for pension revision of IDA pensioners but that suggestion was not accepted.**
- DoT sent a reply to CMD, BSNL on 20/2/2014 vide F.No.4-12(11)/2012-PAT extending the CGHS facilities to absorbed BSNL retirees. That letter states **"The employees, who are in receipt of Central Civil Pension/Pro-rata pension only from Central Civil Estimates are eligible for joining CGHS, other retired employees of BSNL are not eligible for CGHS.**
- **The retired employees of BSNL, absorbed from DoT, who are in receipt of Central Civil pension and therefore eligible for CGHS facilities.**
- 7th CPC was constituted by the Government. *AIBSNLPWA submitted a memorandum to 7th CPC. Our Association gave oral evidence before 7th CPC in Bengaluru on 24/7/2014.* The chairman of 7th CPC Justice A K Mathur, after hearing our submission made a comment that **"there is a prima-facie in the demand"**.
- 7th CPC forwarded our memorandum for 'same fitment formula' to DoT vide their letter dated 31/12/2014 (D.O No.7CPC/RM/19/TEL/2014) and sought their comments. The reply was sent to 7th CPC by DoT only on 17/8/2015 (after nearly 8 months of delay) vide No.30-29/2014-Admn.I which stated **"The 3rd PRC (Pay Revision Committee) will be due in the year 2017 only i.e. after 10 years from the Implementation of recommendation of 2nd PRC whereas 7th CPC is due in the year 2016. Further, the pension revision methodology for the absorbed employees of BSNL is based upon the pay revision parameters of BSNL, which is distinct from pay revision parameters of Government employees. As such, applying the same fitment formula on pay/pension revision may perhaps not be feasible. However, this point can further be examined and deliberated by the nodal department, i.e. DoP&PW".** 7th CPC almost finalized their recommendations by the time DoT's comments reached it. Its recommendations were submitted to Government on 19/11/2015.
- DoT wrote a letter to Director (Wage), Department of Public Enterprises (DPE) on 31/12/2015 vide their No.F.No.47-63/2015-Pen(T) and requested **"while framing the terms of reference of 3rd PRC for PSU employees, the case of revision of pensionary benefits to erstwhile Government employees absorbed in BSNL and MTNL and retired thereafter may also be included in the terms of reference".** But this request was not conceded by DPE.

- **Infact PRCs have no terms of reference for pension revision.**
As such there is no benchmark/guidelines for pension revision of absorbed BSNL/MTNL pensioners.
- DoT's OM dated 20/07/2016 vide No.40-13/2013-Pen (T) para 2(b) states "The liability towards pensionary benefits including family pension to the BSNL employees (excepting those recruited after 01/10/2000), as per su-rule 22 of Rule 37-A of CCS (Pension) Rules, 1972, lies with the Government of India".
- Pay Revision of BSNL/MTNL employees depends upon the financial viability of these two PSUs. But pension revision does not have any relation to the financial position of these PSUs.
- *The main driving factor is that several thousands of family pensioners and few hundred pensioners are getting the minimum pension of Rs.3500 only despite amendment to Rule 49(2) of CCS (Pension) Rules, 1972. The C.G. pensioners are getting the minimum pension or Rs.9000 from 01/01/2016 as per 7th CPC recommendations. As such they are getting a total pension of Rs.9360 as on 1/1/2017 whereas BSNL/MTNL pensioners are getting a total pension of only Rs.7683 on that day, losing an amount of Rs.1677 p.m.*
- After formation of FCI in 1964, the employees working in Food & Agriculture department were transferred to that PSU. Some employees have opted for Government pension and they are called "food transferees" drawing pay and pension on IDA but DR on CDA pattern. The pay of FCI employees was revised from 1/1/2017 as per the recommendations of 3rd PRC. But the revision of pension of food transferees was on a different method. Department of Food & Public Distribution issued an order on 13/12/2023 vide F.No.38020/1/2019-FC-3 and the subject matter of that order was "Revision/Rationalization of Pension/Family pension in r/o IDA employees/Food transferees". *Their pension was revised w.e.f. 1/1/2016 as per 7th CPC fitment factor (their pension as on 31/12/2015 was multiplied by 2.57 factor). It is to be noted that pension revision is delinked from pay revision and 7th CPC fitment factor was made applicable to IDA pensioners also..*

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