

# **ALL UNIONS AND ASSOCIATIONS OF BSNL (AUAB)**

No: UA/2019/

31.01.2019

To

**The Secretary (Telecom),  
Department of Telecommunications,  
Ministry of Communications,  
Sanchar Bhavan, 20, Ashoka Road,  
New Delhi-110 001.**

**Sub: Delinking of Pension Revision for the Pre-2017 BSNL retirees from the Pay Revision of BSNL employees req:**

**Ref: Assurance given by the Hon Minister and Secretary, DoT in the meetings held on 02.12.2018 and 03.12.2018 that Govt decided to delink the pension revision of BSNL pensioners from the pay revision.**

***Respected Madam / Sir,***

On the formation of BSNL, the employees working in DoT were absorbed in BSNL w.e.f 01.10.2000 with the assurance of better career prospects and payment of pension by the Government of India. Accordingly Rule-37A was incorporated in CCS Pension Rules, 1972 to ensure payment of pension on the combined service rendered in DoT and BSNL, on IDA scales. On absorption, the employees were granted IDA pay scales w.e.f 01.10.2000.

Sub-rule 10 of Rule 37A of CCS (Pension) Rules, 1972, provides that "in addition to pension or family pension, as the case may be, the employee who opts for pension on the basis of combined service shall also be eligible to dearness relief as per Industrial Dearness Allowance pattern". Again as per Sub-rule 22 of Rule 37A of CCS (Pension) Rules, 1972, the pensionary benefits, including family pension shall be paid by the Government.

In accordance with the above provisions, DoT revised the pension of pre-2007 pensioners/family pensioners of BSNL on 15.03.2011, who retired during 01.10.2000 to 31.12.2006. The pension revision followed the pay revision in BSNL as pay revision implemented immediately after the DPE guidelines issued on 26.11.2008. Pension revision implemented through Cabinet decision with 30% fitment, which took time with the fitment allowed by the DPE for CPSUs.

The pension/family pension of the pre-2007 BSNL pensioners were revised w.e.f. 01.01.2007 as follows by adding together:

- i) The existing pension /family pension, including commuted portion of pension, if any.
- ii) IDA 78.2% as on 31.12.2006.
- iii) Fitment of 30%, as per DPE guidelines.

On 03.08.2017, DPE issued guidelines for 3<sup>rd</sup> Pay revision with 15% fitment. Para 3 of the OM under the heading Affordability provides that the revised pay scales would be implemented by the CPSEs subject to the affordability of CPSE. BSNL and MTNL are unique CPSUs where the retirees are paid pension by the Govt of India as per Rule 37A of CCS (Pension) Rules, 1972. In BSNL, the pay revision is not implemented due to the affordability clause.

**The pension Revision of Govt pensioners retired from BSNL cannot be linked with the pay revision of the serving employees due to the following reasons:**

1. All the BSNL retirees were Govt servants, recruited by DoT and absorbed in BSNL. Their pension is covered by CCS Pension Rules, 1972 as in the case of Central Govt employees.
2. Pension revision for Central Govt pensioners already implemented.

3. As per the terms and condition for absorption, BSNL absorbed employees would continue to get pension from DoT irrespective of the status of BSNL. As per para 2(b) of DoT order No: 40-13/2013-Pen(T) dated 20.07.2016, it has been clarified that ***“The liability towards pensionary benefits including family pension to the BSNL employees (except those recruited after 01.10.2000), as per sub rule 22 of Rule 37A of CCS (pension) Rules, 1972, lies with the Government of India”***.

4. The Affordability clause mentioned in DPE guidelines is applicable only for the pay revision of the serving employees, not for the Pension Revision.

5. Pension revision has to happen even in the cases of:

i) If BSNL is not there?

ii) If BSNL is not profitable and No Pay Revision is implemented in BSNL?

iv) 3<sup>rd</sup> PRC given different fitment for the serving employees depends on its affordability. This fitment will be reviewed after every 3 years. If the fitment varies, it will create anomaly among pensioners.

v) Non-Executives are not covered by the fitment and the pay scales notified by DPE vide OM dated 03.08.2017. Non-Executives wage revision is as per the negotiated settlement. In Coal India, Non-Executives signed wage revision agreement with 20% fitment for 5 years period where as DPE guidelines stipulates that if 5 year wage settlement is made, the fitment has to be proportionately reduced. However for the purpose of uniformity, Non Executives as well as Executives in BSNL are extended the same fitment from 2<sup>nd</sup> PRC period onwards. BSNL is a unique CPSU in that respect also.

6. BSNL retirees are no way connected with the affordability or paying capacity of BSNL. Their pension is to be paid by the Govt of India, not by BSNL.

7. BSNL has already paid the pension contribution in full to the Govt of India, for their entire service period in BSNL.

Since the matter of pay revision of BSNL employees pursuant to 3<sup>rd</sup> PRC recommendation is yet to be settled, the issue of revision of pension for the pre-2017 BSNL pensioners is required to be delinked from the pay revision of BSNL serving employees. It is already assured and announced by Hon MoSC and Secretary, DoT in the meetings held on 02.12.2018 and 03.12.2018 that Govt decided to delink the pension revision of BSNL pensioners from the pay revision.

However DoT letter to DoP&PW does not reflect this decision and lack recommendation or proposal of DoT for delinking pension revision from pay revision. Without a proposal from DoT, DoP&PW is unlikely to give any opinion in this regard. As per DoP&PW, the methodology is to be worked out and suggested by DoT.

**The methodology may be recommended to DoP&PW for giving its approval on the subject. To avoid an anomaly between serving and the retired employees prior to 01.01.2017, the following method suggested.**

**a) The pension/family pension of the pre-2017 BSNL pensioners will be revised w.e.f 01.01.2017 as follows by adding together:**

**i) The existing pension /family pension, including commuted portion of pension, if any**

**ii) IDA as on 31.12.2016.**

**iii) Fitment of 15%.**

**b) For the serving employees, fitment will be calculated as 15% w.e.f. 01.01.2017 itself and pension contribution will be paid accordingly by BSNL. However, payment of pay, allowances and perks will be made by BSNL depending upon its affordability. In the**

month of retirement, the payment will be made based on full 15% fitment (Atleast in the last month, payment will be made based on full 15% fitment).

**Anomaly which may arise if pension revision is done with 15% fixation and pay revision is done with lesser fitment.**

A pensioner retired on Oct 2016 with Rs 50,000 last basic pay is getting Rs 25,000 as basic pension as on 1-1-2017. Now if his basic pension is revised as per PRC with 15% the revised basic pension will be Rs 63,100 [ i.e. Basic Pension+119.5% DA as on 1-1-07 + 15% fitment]

His batch mate retired on March 2017. His basic pay was also Rs 50,000 on 1-1-17 and last basic pay on March was also Rs 50,000. Now his pay on 1-1-17 is revised as per PRC with 10% (say) fitment. So his revised pay on 1-1-17 will be Rs 1,20,700. Accordingly his last basic pay on March would also be Rs 1,20,700 and pension will be 50% of Rs 1,20,700 i.e. Rs 60,350. Thus he will be getting Rs 63,100 - Rs 60,350 = Rs 2750/- less pension compared to his batch mate retired before 1-1-17 whose pension is revised to Rs 63,100 as per 15% fixation.

**How to solve this anomaly:**

**Method 1**

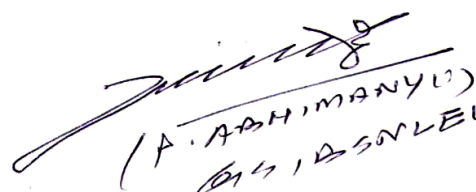
Fix the pay of 2nd person notionally with 15% fitment but actually with fitment of 10% (say) till last month of his retirement. The Basic Pay of the last month of his retirement may be restored as per 15% fixation and pension will be paid on last pay drawn actually. Hence for January and February his basic pay will be Rs1,20,700 and for March it will be Rs 1,26,200 and accordingly pension fixed at Rs 63,100 which is equal to his batch mate retired before 1-1-2017.

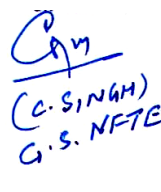
**Method 2:**

Fix the pay of 2nd person notionally with 15% fitment but actually with fitment 10%(say). Hence at the time of retirement his actual Basic Pay will be Rs 1,20,700 and notional Basic Pay will be 1,26,200. Now calculate his Pension as per his last drawn notional pay and his pension will be 50% of 1,26,200 i.e Rs 63,100/- which is equal to his batch mate retired before 1-1-2017.

**NOTE:** This system of fixing pension on notional last pay drawn is already in vogue for BSNL pensioners retired between 1-1-2007 and 9-06-2013 while extending the benefit of 78.2 IDA Merger. Their Pay has been notionally revised by merging 78.2% IDA from 1-1-2007 and Revised pension is being paid on revised notional last pay drawn from 10-06-2013.

Yours Sincerely,

  
(A. ASHIMANYU)  
GM, BSNLEU

  
(C. SINGH)  
G.S. NFTE

- Copy to: (1) The PS to Hon Minister of State for Communications, New Delhi – 01  
(2) Member (Fin), Telecom Commission, DoT, New Delhi – 110001  
(3) Additional secretary, DoT, New Delhi – 110001.  
(4) The Chairman & Managing Director, BSNL, New Delhi – 110001.  
(5) The Director (HR), BSNL Board, New Delhi – 110001  
(6) The GM (SR), BSNL Corporate Office, New Delhi – 110001