ALL INDIA
BHARAT SANCHAR NIGAM LIMITD
EXECUTIVES' ASSOCIATION
CENTRAL HEADQUARTERS
NEW DELHI

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No.AIBSNLEA/CHQ/CORR/MISC/2006 **Dated 27.07.2006**

To

Shri D.S. Mathur,
Chairman Telecom Commission & Secretary (Telecom),
Sanchar Bhawan,
New Delhi.

Subject: **Payment of pension to BSNL employees- regarding**

Reference: 1. DO.No.1-45/2003-B dated 15.03.05
2. Letter No.1-45/2003-B dated 15.06.06

Sir,

We would like to draw your kind attention to the above cited references and subject matter. The employees and executives of BSNL are seriously frustrated and feeling insecure regarding payment of pension due to recent DOT order dated 15.06.06 (copy enclosed).In this connection the following points are submitted for your kind consideration:

(a) At the time of corportisation of Department of Telecom Services / Department of Telecom Operations, it was assured by the Government that Government Scheme of Pension shall be applicable for the employees of BSNL and accordingly a Gazette Notification was issued on 30.09.2000 inserting a new Rule -37A in the CCS (Pension) Rules, 1973 using the powers under Article 309 of the Constitution of India, incorporating special provision for BSNL.

(b) It was decided that BSNL will pay the Pension Contribution to the Government of India in respect of the employees working in BSNL for earning the pension. Accordingly BSNL has been paying the pension contribution as per the provisions of FR-116.

(c) Subsequently some confusion was created regarding the amount payable by BSNL (in addition to pension contribution) towards pension contribution. The move of DOT was opposed by the employees' unions / associations as it could have been a drain on BSNL resources. There was **no justification in demanding BSNL to pay for the pension liability of the employees retired even before formation of MTNL / BSNL. Payment of pension to employees retired before 1.10.2000 is the liability of Government and it can not be passed on to BSNL.**

(d) **The provisions in FR-116 dealing with payment of pension contribution are very clear. When Government allows employee (s) for Foreign Service, the borrowing organisation needs to pay only pension contribution based on the length of service and maximum of the pay scale of the employee in his parent department.**

The borrowing organisation need not pay any additional amount for pension of the employee on Foreign Service by the Govt. The above phenomenon fully applies to the employees of erstwhile DOT/DTO/DTS absorbed in BSNL due to corportisation of these departments. Any deviation from above will be gross injustice with BSNL as well as employees absorbed in BSNL as any additional payment will be a drain on company's resources and severely affect the paying capacity of the company in the competitive environment. This may also have adverse impact on the pension of the PSU employees.

(e) The **clarification to the above effect were issued by the then Secretary (Telecom), Shri Nripendra Mishra vide DO No. 1-45/2003-B dated 15.03.05 (copy enclosed) addressed to Shri A.K.Sinha, CMD, BSNL wherein it was clearly stated that in respect of officials/officers absorbed in BSNL, BSNL will be liable to pay the pension contribution in accordance with FR 116 and the liability on account of pension payable will be that of the Government.**

(f) Now vide letter No. 1-45/2003-B dated 15.06.06, it is stated that Government's liability in respect of pension to employees of DoT/DTS/DTO who retired prior to 01.10.2000 and those who have worked /are working in BSNL on deemed deputation and for those who are absorbed in BSNL shall not exceed 60% of the annual receipts to the Govt. from the following items:

- Dividend income from MTNL/BSNL
- Licence Fee from MTNL/BSNL
- Corporate Tax/Excise Duty/Service Tax paid by BSNL

(g) It is stated in the above cited letter dated 15.06.06 that any amount exceeding above shall be borne by BSNL.

(h) The letter dated 15.06.06 is having overriding effect on the Rule 37-A issued by GOI through Gazette Notification. Moreover when **<u>even the private borrowers are required to pay only pension contribution for the duration they hire any government employee, demanding any amount in excess of pension contribution payable in accordance with the provisions of FR-116 is against all ethics and thus unreasonable / illegal. This amount to coercive action on the part of Govt. and against the interest of the PSU and its employees.</u>**

(i) The employees of BSNL are very much agitated over the DoT letter dated 15.06.06 and concerned about the payment of their pension after their retirement. The DoT letter dated 15.06.06 creates apprehension about payment of pension to retired employees in case of BSNL suffering loss and thus enable to bear the additional amount as demanded by DoT. The parameters mentioned in the letter are variable and can not be linked to payment of pension under any circumstances.

(j) <u>It is beyond imagination that even the payment of pension of DoT employees retired before formation of MTNL / BSNL has been linked with the viability of PSUs for no fault on their part.</u>

(k) It may not be out of place to point out that payment of pension is one of the basic service conditions of government service which can not be changed for employees after joining service. The candidates have to choose between EPF and pension schemes at the time of initial appointment as per their choice. Majority of the persons join the government service only with the hope that their old age life will be secured as they are assured to get pension from Govt. for service rendered by them instead of receiving lump sum payment in form of accumulation in EPF.

(I) The above letter is also adding fuel to the agitation of ITS officers who are demanding unequivocal notification from the Govt. before their absorption in BSNL that pension to BSNL optees will be paid from the Consolidated Fund of India irrespective of any future changes in the framework of BSNL.

In view of above, it is humbly requested that the matter may be re-examined and letter dated 15.06.06 from DDG (FEB), DoT be immediately withdrawn to remove the insecurity from the minds of BSNL employees.

With kind regards,

Yours sincerely,

(Prahlad Rai)
General Secretary

Copy To:

1. Dr.Manmohan Singh, Hon'ble Prime Minister of India, South Block, New Delhi
2. Thiru P.Chidambaram, Hon'ble Finance Minister, North Block, New Delhi.
3. Thiru Dayanidhi Maran, Hon'ble Minister for Communications and Information Technology, Sanchar Bhawan, New Delhi.
4. Shri A.K.Sinha,CMD, BSNL, Statesman House, Barakhamba Road, New Delhi
5. Shri S.D.Saxena, Director (Finance), BSNL, Statesman House, Barakhamba Road, New Delhi
6. Shri Niranjan Singh, Director (HRD), BSNL, Statesman House, Barakhamba Road, New Delhi