



BSNL

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NATIONAL FEDERATION OF TELECOM EMPLOYEES

BSNL

(Regn. No. 4906 dated 17/9/2001)

C-4/1, Bangla Sahib Road (Baird Road), New Delhi-110001

TF-11/3

Dated: 28-04-2015

To,

Shri Ravishanker Prasad
Hon'ble Minister of Communication and IT
Govt. of India
Sanchar Bhavan, New Delhi

Subject: Payment of pension to DoT employees absorbed in BSNL – Request for intervention

- Refce: i) Rule 37A of Pension Rule
ii) DoT No. 16-27/2001 dt. 26-6-2001
iii) DoT No. 7-1/2000 /TA-I/17 dt. 31-7-0002
iv) D.O. No. 1-45/2003-B, dt. 15-3-2005 issued by Secy. DoT
v) DOT No. 1-45/2003-B, dt 15-6-2006
vi) DoT No. 49-12/2007-Pen (T), dt. 15-1-2009
vii) MoF letter dt. 14-2-2011 referring Rajyasabha Secretariat's letter OM No. 19(II)/2011-COSL dt. 7-1-2011

Respected Sir,

It is very respectfully stated that the "National Federation of Telecom Employees (BSNL)" is registered and second recognized union for non-executive employees in the PSU. It has long and very chequered history of playing a positive and constructive role in settlement of various challenging problems of employees as well as of the organisation. Very recently the union held its National Executive meeting where in the participants expressed serious doubts and apprehensions about payment of pension to DoT absorbed employees due to frequent revisions and dilution in pension. These have necessitated to seek your kind intervention for remedial measures and to protect the future of the present and retired employees who took absorption in BSNL after firm commitment and assurances of the Govt.

It is stated that as per strike agreements of 8-9-2000 between DOT and three federations (NFTE, FNTO and BTEF) the then NDA Govt. took following decisions in regard to formation of BSNL w.e.f. 1st October, 2000.

- i) All employees will be entitled to Govt's scheme of Pension /Family Pension even after their absorption in the PSU.
- ii) Payment of Pension would be made by Govt.
- iii) Govt. will consider and provide a package of measures so that the viability of BSNL is not impaired because of implementation of any socially desirable uneconomic activity such as rural telephony undertaken by BSNL at the behest of the Govt.

In the context of above Cabinet decision the Rule 37A of Pension was framed under Article 309 of the constitution of India. The DoT also issued orders in letter No. 7-1/2000/TA-1/17 dt. 31-7-0002 to BSNL for payment of Pension contribution as per FR 116 and FR 117 to Govt. and also clarified that the pension to absorbed employees will be paid from the consolidated fund of India. Vide letter dt. 26-6-2001.

However, with the passage of time the MOF demanded for full cost of pension in violation of earlier agreement between unions and Govt. as well as against the interest of BSNL. Sequel to protest by the unions the matter was referred to Cabinet and the Secy. DoT issued Letter No. 1-45/2003-B, dt. 15-3-2005 reiterating that payment of pension liability is of Govt. and BSNL should pay contribution as per FRS 116 and 117. But just after a year the DoT reversed its orders and issued another letter NO. 1-45/2003-B, dt. 15-6-2006 linking the payment of pension to absorbed employees with the receipts of taxes from BSNL and MTNL.

Rule 37-A is a statutory Rule. Sub-rule 16 of this Rule, which provides the manner of sharing of financial liability on account of payment of pensionary benefits by the PSU will be determined by the Government is not applicable to BSNL as provided in Sub-rule 21. Sub-rule 22 of this Rule provides that the Government shall specify the rate of pensionary contribution to be made by BSNL, and the manner in which the financial liability on account of payment of pensionary benefits by the Government shall be met.

As you can see, the statutory rule itself provides that in case of other PSUs, the financial liability on account of payment of pensionary benefits is to be shared, while in case of BSNL where pensionary benefit is to be paid by the Government, the financial liability on account of payment of pensionary benefits is to be met and not shared, and BSNL has to make pensionary contribution for which rates shall be specified by the Government.

The aforesaid letter dated 15-6-2006 not only is in utter violation of government's decisions and earlier agreements, but tends to supersede statutory provisions of Rule 37-A of CCS(Pension) Rules.

The frequent revision and nullifying of orders have created serious and genuine doubts amongst the staff to the effect that the Govt. is distancing itself from its commitments and agreements for payment

of pension from the Consolidated Fund of India. The following steps of Govt. tend to confirm that it is disowning the payment of pension to the absorbed employees.

- i) Linked the payment of pension with the Tax receipts of BSNL and MTNL vide DoT letter of 15 June, 2006.
- ii) Govt. is letter No. 1-45/2003 BRS-19(I) 2011 COSL, dt. 14-2-2011 has taken a position that the pension liability of absorbed employees is of BSNL and not of Govt. The stand of Ministry of Finance is completely at Variance with the previous agreements and rules besides letter No. 40-12/2007 – Pen (T), dt. 5-1-2009 issued by Shri S. Behura, Secy. of Department of Telecommunication. The operative portion of clarification is as below:

“..... That the limit of 60% is for normal funding. This does not in any way distract from the fact that ultimate liability towards pensioner benefits including Family Pension to the BSNL employees (excepting those recruited after 1-10-2000), as per sub-rule 21 of Rule 37A of CCS (Pension) Rule 1972, lies with the Govt. of India. If BSNL, for any reason, is not able to contribution to the extent prescribed in para (i), above, the Govt. of India will still pay the admissible pensionary benefits including Family Pension to BSNL employees excepting those recruited after 1st October, 2000.

It is pertinent to add that even the contents of above letter, issued by Secy, DoT have been ignored by DoT while sending the Cabinet Note dt. 29-12-2010. In this connection para 3.5 of the “Cabinet Note” be referred to. The said “Note” was approved by the Cabinet on 20-1-2011 for revision of IDA pension for employees of BSNL retired after 1-10-2000 and before 1-10-2007. The provisions laid down in clause (21) Rules 37-A have also conveniently been either forgotten or ignored.

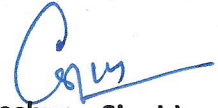
While we are yet to understand the Government’s about-turn on its commitments and statutory provisions, we have been back-stabbed once again by denying the pensioners’, the benefits of pension revision based upon 78.2% IDA fixation benefits at the time of wage revision. This time too, agreement was reached between BSNL management and BSNL employees to accept pay revision based upon 78.2% IDA fixation from a prospective date, without arrears, but while processing the case for pension revision, DoT failed to incorporate in the cabinet note that the Government is committed to pay pension even if 60% limit as prescribed in DoT’s letter dt. 15-6-2006 is exceeded. The absorbed employees were denied 78.2% IDA fixation benefits at the time of wage revision and the benefit of only 68.8% IDA was extended in evolving the pay scales of staff. However, subsequently the DoT issued “Presidential declaration” vide letter No. 61-01/2012-SU, dt. 10-6-2013 extending 78.2% IDA fixation benefits also to serving employees which has been implemented from the date of issue of orders. The said benefit has not been extended as yet to the retired personnel of prior to 31-12-2006 to 9th June, 2013 on the sole reason that the pension expenditures have exceeded the limit prescribed by DoT in letter dt. 15 June, 2006. This has caused enormous sufferings and agony to employees who took absorption in BSNL after firm commitment of Govt. to protect their future.

Under the circumstances we request you as under

- i) The assurances and commitments extended by the Govt. at the time of corporatization and thereafter be honoured and implemented in respect of pension.
- ii) The DoT orders dt. 15-6-2016 linking the payment of pension with Tax receipts of BSNL-MTNL to be time withdrawn and same be paid from the consolidated fund of India.
- iii) The revision of pension of retirees prior to 31-12-2006 to 9-6-2013 be done by extending 78.2% IDA fixation benefit as in case of serving employees as it is sole responsibility of Govt. to pay pension. Govt., DoT, should honour its commitments.
- iv) Pension contribution in respect of BSNL staff is realized as in the case of central govt. employees.

With kindest regards,

Yours Sincerely



(Chandeshwar Singh)
General Secretary