

No 40-13/2013-Pen (T)
Government of India
Department of Telecommunications
(Pension Section)

New Delhi, dated the 11th July 2014

OFFICE MEMORANDUM

Subject: Revision of pension/family pension of Pre- 2007 retirees BSNL IDA pensioners/family pensioners who retired prior to 01.01.07 and Post 2007 BSNL IDA pensioners who retired between 01.01.07 and 09.06.13 by allowing the benefit the merger of 50% DA/DR effectively amounting to 78.2%.

The undersigned is directed to refer to Department of Expenditure's O.M No 144/EV/2014 dated 11th march 2014 on the above subject.

2. In this context, the point wise information/clarification is furnished as under:

(i) Approval of cabinet, for revision of pension with enhanced DR @78.2%

Presidential orders dated 27-02-2009 (Annexure 'A') issued by Department of Telecom as well as partial modification thereof dated 10-06-2013 (Annexure 'B') are based on DPE orders which are very specific & global { OM No 2(70)/08-DPE (WC)-GL XVI/08 dated 26-11-2008 & OM No 2(70)/08-DPE (WC)-GL XVI/09 dated 02-04-2009 (Annexure "C" & "D")}. These orders are applicable in respect of pay of employees of PSUs who were on roll on or after 01-01-2007 subject to certain conditions. Consequent upon implementation of these orders in respect of pay of serving employees as on 01.01.07, pensionary benefits of employees retired /expired after 01-01-2007 were also calculated on the basis of revised pay without specific reference/approval from the cabinet. In view of this, department is of the view that pay revision allowed in accordance with partial modification of Presidential orders should be the criteria for revision of pension etc without reference to the cabinet. However, in case of revision of benefits of pre 01.01.07 pensioners/ family pensioners by giving effect of 50% IDA merger, specific approval of the cabinet would be required.

(ii) Annual Pension liability of the Government

Requisite inputs in respect of revenue receipts as well as the pension paid for the financial years 2001-02 to 2012-13 are enclosed at Annexure-1. As per Cabinet decision on the subject, pension liability of the Government in respect of employees of DOT/DTS/DTO who retired prior to 1.10.2000 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 receipt of the Government from the following items:-

- Dividend from BSNL/MTNL
- License fee from BSNL/MTNL and
- Corporate tax/excise duty/service tax paid by BSNL

It was also decided that any amount exceeding these items shall be borne by BSNL. As per inputs, pension paid by the government from 1.10.2000 to 31.03.2010 was less than the 60% of revenue receipt under specified heads. However, the same was reversed from the year 2011-12 onwards due to reduction in revenue receipt and increase in pension liability. It is pertinent to mention that 60% cumulative receipt of revenue under specified heads is still higher than the total pension paid by the government upto 31-03-13. Government is discharging its pension liabilities on account of the following heads:-

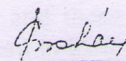
- (a) CDA pension in respect of employees retired after 1.10.2000
- (b) New Pension scheme
- (c) Misc. pension contributions/VSNL pension etc.
- (d) Pro rata pension of MTNL
- (e) Regular pension to MTNL employees (Recently approved by the Cabinet)
- (f) CDA pension in respect of employees retired prior to 1.10.2000
- (g) IDA pension in respect of BSNL employees-retired after 1-10-2000.

Out of above, liabilities of BSNL is limited to item numbers (f) & (g) only i.e. CDA pension in respect of employees retired prior to 1.10.2000 and IDA pension in respect of BSNL employees retired after 1-10-2000. Expenditure on remaining type of pension {item no (a) to (e)} is required to be borne by the Government. Presently detail classification is not available. As such, matter is under analysis.

(iii). Precedents

As desired by MOF, the following instances are brought to the notice of Department of Expenditure;

- (a) Department of Food & Agriculture was converted to FCI as a PSU. The Government employees who worked under the department of Food & Agriculture were en-masse transferred to FCI. They were also paid pension including family pension in IDA pattern by the Government on combined service. Department of Food & Public Distribution issued order on 31.05.05 for "Revision of IDA Scales of pay for the employees of the Food Corporation of India w.e.f 1.1.97". Para 7 of the said order deals with "Pension for those retiring within 10 months of their coming over to revised pay scale. The benefit of notional conversion of pre-revised pay to revised pay in IDA scales was allowed based on the formula/guidelines of 5th CPC recommendations.
 - (b) Central Government pensioners who retired between 1.1.96 to 30.09.96 faced such a pension anomaly after implementation of 5th CPC recommendations, because the average pay was worked out taking into account a part from pre-revised pay and apart from revised pay. To rectify this anomaly DOP&PW issued O.M No 45/86/97-P7PW(A)-part I dated 18.10.99. As per this order, the pre-revised pay was notionally converted to revised pay and the anomaly got resolved.
 - (c) In addition to above, notional upgradation of pay w.e.f 01.01.96 extended to the pensioners who retired from organized Accounts cadre was also treated as pay for revision of pension benefits as a special case vide Deptt of P & PW OM No 38/86/03-P&PW(A) dated the 5th November 2008.
3. In view of above, Department of Telecom may be allowed to calculate pensionary benefits of employees retired between 01-01-2007 to 09-06-2013 on the basis of notional pay fixation in relaxation of Rule 33 & 34 of CCS [Pension] Rules, 1972. DOP & PW has already conveyed their no objection to the proposal. Since proposal for revision of pensionary benefits of pre-2007 retirees requires approval of the Cabinet, their case shall be dealt separately.



(K S Dahiya)

Under Secretary to the Govt of India

To,

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