



ALL INDIA BSNL DOT PENSIONERS ASSOCIATION

[Registered No. S/68836/2010]

Central Head Quarters

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AIBDPA/ DOT- PR/2017

October 24, 2017

To,

Smt. Aruna Sundararajan
Secretary,
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road
New Delhi-110001

Respected Madam,

Sub: - Pension Revision to BSNL retirees with effect from 01-01-2017 with 15% fitment based on 3rd PRC recommendation which is approved by the government – reg.

On behalf of All India BSNL DOT Pensioners Association, I request your good self to kindly cause necessary action to revise the pension of BSNL retirees with effect from 01-01-2017 based on the following facts.

1. As you are aware the employees working in the Telecom department were enmasse absorbed in the newly formed BSNL on 01-10-2000 with the central government's promise of better prospects and pension from the consolidated fund of the government of India. Accordingly they were granted upgraded IDA pay scales and Rule 37 A was incorporated with CCS (Pension) Rules, 1972 to ensure pension. Hence BSNL retirees are eligible for all pensionary benefits like qualifying service, minimum and maximum pension, gratuity, commutation, additional pension etc barring pension, DA and medical facilities which are on IDA pattern. As such, the 6th Pay Commission benefits were extended to the BSNL absorbed employees and retirees at the time of 2nd Pay Revision in CPSEs in 2007. The Pension was also revised with 30% fitment benefit to the BSNL retirees. The recommendations of the 7th Pay Commission are also to be extended to the BSNL absorbed employees and retirees at the time of the ensuing pay revision with effect from 01-01- 2017. The 3rd PRC has already recommended 15% fitment benefit and the same has been approved by the government. Therefore the pension revision of BSNL retirees is to be implemented without any delay.
2. The 60:40 condition stipulated for payment of pensionary benefits to BSNL retirees as per the decision of the cabinet became a road block for pension revision for the pre 2007 BSNL pensioners and particularly for pension revision based on 78.2% IDA fixation. Only after sustained struggle and continuous perusals by the employees organizations and the pensioners, the central cabinet annulled the condition of 60:40 and orders in this regard was issued vide No. 40-13/2013-Pen (T) dated 20-07-2016. It is stated in the order, Para 2 (b) that "The liability towards pensionary benefits including family pension to the BSNL employees (excepting those recruited after 01-10-2000), as per sub rule 22 of Rule 37-A of CCs (Pension) Rules, 1972, lies with the government of India."
3. But BSNL is paying pension contribution to the government based on the maximum of the pay scale of each BSNL absorbed employee whereas for the central government employees pension contribution is collected based on the actual basic pay of each employee. The 3rd Pay Revision Committee in its report for pay revision of the executives in CPSEs has recommended a 15% fitment. This has been approved by the government and accordingly the DPE has issued the guidelines for

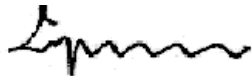
pay revision in each PSUs. Generally, the same formula will be extended to the non-executives also after bilateral agreement is reached between the management and unions in the PSU. However it is worth mentioning here that the agreement of 20% fitment signed between the Coal India management and unions has exceeded the maximum fitment recommended by the 3rd PRC which reflects the fact that the parameters set out by the 3rd PRC are subject to modifications.

4. Due to the affordability clauses stipulated in the 3rd PRC, the pay revision in BSNL is being delayed despite the fact that BSNL required to be exempted from the affordability conditions. The special status of BSNL in implementing Telecom Policy 1999 and also some of the important projects of the government like NOFN, Bharat-Net, Network for spectrum and extending telecom services to the people, particularly at rural areas incurring huge losses ,at affordable rates are to be considered. Further BSNL has been able to achieve operational profit of Rs.672 crore in the year 2014-15 and Rs.3856 crore in 2015-16. This wonderful turnaround was possible only because of the sincere & hard work of the employees and some innovative marketing strategies adopted by the BSNL management. The most significant fact is that BSNL achieved these remarkable gains amidst cut throat competition from the private telecos, especially, Reliance Jio. In view of the above and as per provisions in the 3rd PRC report, the Communications Ministry being the concerned administrative ministry is empowered to exempt BSNL from the affordability clauses and implement the wage revision in BSNL. The BSNL management has put forward a reasonable proposal for wage revision. The reluctance of the government in this regard has dragged the entire BSNL unions of both executive and non-executive to a war path. It is our fervent request to you to use your good office to avoid a show down in BSNL which will be detrimental to the interest of not only BSNL but also the country.
5. BSNL retirees are also eligible to get their pension revised as per the order No.38/37/2016-P&PW(A) dated 12-05-2017 based on the alternate proposal of the rejected Option 1 recommended by the 7th Pay Commission. This will be done by notional pay fixation under each intervening Pay Commission based on Formula for revision of pay. 50% of the notional pay as on 01-01-2016(01-01-2017 in the case of BSNL retirees) shall be the revised pension. Therefore unless pay is not revised in BSNL as on 01-01-2017 BSNL pensioners will be deprived of this benefit.
6. In such a situation, it is requested that the Department of Telecommunications may kindly initiate action for pension revision based on the approval of 15% fitment by the government as no affordability condition is applicable for pension revision since the entire liability lies with the government.

Awaiting an early positive action in this regard and thanking you,

Thanking you,

Yours faithfully



[K.G. Jayaraj]
General Secretary

Copy to: 1. Shri.R.K.Misra, Member(Service), Department of Telecommunications, Sanchar Bhawan, New Delhi-110001
2. Smt. Anuradha Mitra, Member (Finance), Department of Telecommunications, Sanchar Bhawan, New Delhi-110001