

All Unions and Associations of BSNL

No: UA/2018/12

To

dated 08.05.2018.

Shri. Manoj Sinhaji,
Hon Minister of State for Communications,
Sanchar Bhavan, New Delhi.

Sub: BSNL forced to pay the Pension Contribution for the absorbed employees on the maximum of the pay scale instead of actual basic pay, contrary to the DOP&T OM dated 19.11.2009 and the provisions of FR 116 & 117. During last 11 years, BSNL paid more than 2,000 Crores in excess as Pension Contribution. On BSNL's plea, Dept of Expenditure (DoE) and DoPT already taken a positive stand on the issue. Now DOE sought the opinion of Internal Finance of DoT to review the issue. Your kind intervention solicited for directing Internal Finance of DoT to support the BSNL plea and send a positive reply to Dept of Expenditure (DoE).

Ref: 1. DO letter from Secretary/DoT - No: 1-45/2003-B dated 15.03.2005.
2. DOP&T Order No. 2/34/2008-Estt. (Pay II) dated 19.11.2009.

Respected Sir,

Kindly recall the discussions with your goodself on 24.02.2018 with the All Unions and Associations of BSNL in this regard. In the meeting, you were assured that the Govt orders in this regard will be strictly followed by DoT and given instructions in this regard.

On the continuous pursuance of BSNL, now Dept of Expenditure (DoE) took a positive stand in this matter and willing to re-examine the whole issue in light of the recommendations of 7th CPC and 3rd PRC. For that purpose, DoE has sought the comments/recommendations from the Internal Finance of DoT on the BSNL plea to pay the pension contribution on actual basic pay instead of maximum of the pay scales as per DOP&T order dated 19.11.2009. Earlier DoP&T vide its letter No: 6/1/2014-Estt.(Pa-II) dated 24.04.2014 informed that the Pension and Pension contribution of BSNL absorbed employees will be regulated by the provisions of DOP&T Order No. 2/34/2008-Estt. (Pay II) dated 19.11.2009. In earlier occasion, Dept Of Expenditure did not agreed to this as whole facts were not presented before them along with the opinion of DoP&T. Now based on DoPT order, 7th CPC and 3rd PRC recommendations, Dept of Expenditure agreed to review the whole matter and sought the opinion of DoT. **Now this issue is pending with DoT/Finance for a positive recommendation to the Dept of Expenditure (DoE) for deciding the matter favourably.**

Payment of pension and all other issues related to pension in respect of employees having got absorbed in BSNL from DOT in the year 2000 is to be strictly regulated in terms of 1972 CCS Pension Rules and FR 116. As per the DOP&T OM dated 15th May, 2000, pension contribution payable w.e.f 01.01.1996 in respect of employees on foreign service/deputation was based on the maximum of the pay scale. Accordingly, BSNL has been paying pension contribution to DoT on maximum of the pay scale for the BSNL absorbed employees, w.e.f 01.10.2000. However, based on the recommendations of 6th CPC, Union Government vide DOP&T order No. 2/34/2008-Estt. (Pay II) dated 19.11.2009 and in supersession of the order dated 15th May, 2000, modified its earlier order of 15th May, 2000 to the extent that pension contribution payable w.e.f 01.01.2006 in respect of employees on foreign service/deputation, is to be paid on the existing basic pay (pay band plus grade pay) and not on the maximum of the pay scale. This order is effective from the date of implementation of 6th CPC, i.e. 01.01.2006.

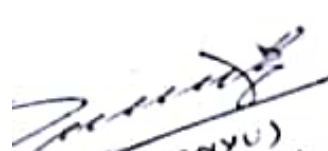
Consequent on 2nd PRC implementation, BSNL is to mandatorily pay pension contribution on the actual basic pay according to DoP&T order dated 19.11.2009, not on the maximum of the scale, both for Central Government officers on deputation as well as for BSNL absorbed employees. However, DoT is arbitrarily coercing BSNL to pay Pension Contribution on maximum of the pay scale.


7th CPC in its recommendation at para 5.1.39 recommended that: "Hence in any kind of calculation which attempts to work with the 'maximum pay of a particular pay scale', it would be inappropriate, even incorrect, to pick the last figure of the column to do so. ---". On the similar lines, 3rd PRC recommended pay scales with longer span to avoid stagnation and made recommendation on the similar lines at para 3.9.2(d) with regard to pay scales with larger span.


From the above recommendations of 7th CPC as well as 3rd PRC, it is understood that the pay scales derived from 6th CPC and 2nd PRC onwards are as good as open ended pay scales to address the stagnation issue. Further, both pay revision committees recommended that the end of the scale should not be taken into consideration for any practical purposes. The payment of pension contribution by BSNL in contravention of orders of DOP&T is resulting in huge overpayment to the tune of more than 2,000 Crores of rupees for the last more than ten years since 01.01.2007.

Sir, your kind personal intervention is thus earnestly and urgently solicited to direct concerned officers in the Internal Finance of DoT to give a favourable recommendation to Dept of Expenditure (DoE) in this regard so that DoE will take a favourable decision, allowing BSNL to pay the pension contribution on actual basic pay in tune with orders of DOP&T dated 19.11.2009 in letter and spirit. The issue still remain unresolved even after your assurance on 24.02.18.

With kind regards,


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G.S. NFTA (BSNL)


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Copy to:

1. Smt Aruna Sundarajan, Secretary, DOT for kind information and n/a pl.
2. Smt Anuradha Mitra, Member(Finance), Telecom Commission for information and n/a
3. Shri Anupam Shrivatava, CMD/BSNL for information and n/a please.