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DATED: 08.09.2017

To

Shri Manoj Sinha Ji.,
Hon'ble Minister of State for Communications (I/C),
Govt. of India,
Sanchar Bhawan, 20, Ashoka Road,
New Delhi-110001

Subject: Revision of Pension of BSNL retirees, who are Central Service Pensioners drawing pension from Government of India on combined service rendered in DOT and BSNL, under Rule 37-A of CCS Pension Rules 1972, in accordance with fitment formula given by the 7th CPC.

Hon'ble Sir,

BSNL was formed on 01.10.2000 in pursuance of National Telecom. Policy by corporatization of DOT/ DTS i.e. Deptt. of Telecom. Operations and Deptt. of Telecom. Services and more than 4.0 lakhs Govt. employees were transferred to BSNL w.e.f. 01/10/2000 on as is where is basis.

2. Out of 3.5 lakh employees, 2 lakh have already retired from the service as on date. All of them got absorbed in BSNL based on the firm commitment from the Govt. that they will be paid Govt pension on combined service rendered in DOT/ BSNL on IDA pay scales as per the provisions of CCS Pension Rules 1972. For this very purpose, Govt. amended the CCS Pension Rules 1972 by inserting Rule 37A, specifically for BSNL Pensioners. Like other Central Govt. pensioners, pension for the BSNL pensioners also to be paid by the Govt. of India.

3. The last pension revision for BSNL Pensioners was done w.e.f. 01.01.2007, co-terminus with the date of pay revision for the Executives and Non Executives of the CPSUs. Next pension revision for the BSNL pensioners is due from 01.01.2017.

4. **Pension revision for the BSNL pensioners was neither covered under the terms of reference of 7th CPC nor it was covered under the terms of reference of 3rd PRC dealing with pay revision of the serving CPSEs' Executives, including serving BSNL Executives and hence no recommendation is given by 3rd PRC in this regard. But it may however, be indicated that the pension revision of BSNL pensioners is in no way linked with the 3rd PRC or pay revision of the serving BSNL Executives due to the following reasons:**

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4.1 BSNL Retirees are different from other CPSE retirees. According to DPE guidelines for other CPSE retirees, the superannuation benefit (Pension, Gratuity, PF etc.) are limited to 30% of emoluments drawn. All the PRC recommendations are in conformity with that. Further CPSE retirees have defined contributory pension scheme. No PRC had 'Pension Revision' in their Terms of Reference because all the CPSEs have contributory Pension Scheme only. They are covered under Payment of Gratuity Act, 1972. The Government does not provide any budgetary support to these CPSEs for retirement benefits.

4.2 PRC recommendations are applicable only for pay revision of the Executives unlike Central Pay Commission (CPC) where pay revision and pension revision of all cadres of Central Government Employees/ Pensioners i.e. Group A / B / C / D are covered under the terms of reference of respective CPCs.

4.3 In contrast, BSNL Retirees, who were Government servants for most part of their service, are covered under CCS (Pension) Rules, 1972, and they draw their pension on combined service in DOT and BSNL, and the liability of paying Pension fully lies with the Government of India under statutory provision and not with BSNL. Pension for the BSNL Pensioners is governed by Rule 37A of the CCS Pension Rules, 1972. Since Pension is to be paid by the Govt. of India, affordability clause or the profitability clause of BSNL does not come into the picture, because BSNL is in no way responsible for payment / revision of the pension.

4.4 While revising the pension of BSNL IDA Pensioners, it is revised on the basis of Existing Pension + DA + Weightage as is done for the CG Pensioners. The lower and upper ceiling of Pension/Family Pension are at par with the Central Government Pensioners. 6th Pay Commission's recommendations like emoluments for the purpose of all pensionary benefits, Gratuity ceiling, DCRG, new Commutation table, enhanced family pension for 10 years for those who die in harness, age related pensionary benefits and minimum pensions etc. were implemented by DOT for all BSNL retirees / IDA Pensioners after getting approval from DOP&PW on the lines of Central Government Pensioners.

4.5 Moreover, for the BSNL pensioners, the pension contribution as decided by the Govt. of India has already been paid in full by BSNL to the Govt. of India till their retirement and that too at the maximum of the scales instead of actual pay.

4.6 The last pension revision for BSNL pensioner's w.e.f 01.01.2007 was done through a Union Cabinet decision. Pension revision for BSNL Pensioners becomes due w.e.f 01.01.2017 i.e 10 years after the earlier revision as in the case of Central Government retirees. It can be revised on the basis of 7th CPC formula.

4.6.1 The Fitment benefit given to Central Govt. Employees / Pensioners amounted to 32% benefit of Basic Pay/ Basic Pension. Multiplying factor with reference to Basic Pay/ Pension, under 7th CPC for Central Govt. Employees/ Pensioners amounted to 2.57 (i.e. Basic Pay/Pension + 125% DA as on 01-01-2016 + 32% of Basis Pay/Pension i.e. $1 + 1.25 + .32 = 2.57$).

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4.6.2 In case the same fitment benefit of 32% of Basic Pension given to Central Govt. Pensioners under 7th CPC is extended to IDA Pensioners of BSNL, the Multiplying factor for BSNL IDA Pensioners will work out to 2.515 (i.e. Basic Pension + 119.5% DA as on 01-01-2017 + 32% of Basis Pension i.e. $1 + 1.195 + .32 = 2.515$). This amounts to Revised Pension = $2.515 \times \text{Old Basic Pension}$.

4.6.3 The fitment multiplying factor of 2.515 as worked out in 4.6.2 above is even lesser than the multiplying factor approved by Union Cabinet under 3rd PRC at 15% fitment on IDA scales at 2.52425 [i.e. Basic Pay + 119.5% DA as on 01-01-2017 + (15% of Basis Pay + DA) i.e. $\{1+1.195 + (2.195 \times 15\%) = 2.52425\}$].

4.6.4 Even though fitment multiplying factor of 2.515 based on the formula given under 7th CPC is less beneficial to IDA Pensioners of BSNL as compared to fitment formula given under 3rd PRC with a multiplying factor of 2.52425, we are ready to accept the same for the sake of uniformity and comparability with 7th CPC so that our future Pension Revision shall be carried out based on the ratio provided by future CPCs and making the same applicable to us from the dates due for our Pension Revision.

4.6.5 7th CPC formula is applicable not only to CG pensioners but also to 69 CPSEs, wherein the pensioners were drawing pension following the CDA pattern and covered under CCS(Pension) Rules, 1972. Their scales of pay are not identical to CG Scales of pay. As per Apex Court judgment dated 03-05-1990, the appointees in CPSEs after 01-01-1989 should only have IDA pattern of pay scales and DA. So the fitment formula of CPC cannot be denied to BSNL retirees only because they are having IDA scales of pay.

In view of the above submissions, your kind personal intervention is solicited to take urgent steps to get the pension revision implemented for BSNL retirees, who are Central Service Pensioners drawing pension from Government of India on combined service rendered in DOT and BSNL, under Rule 37-A of CCS Pension Rules 1972. Pension revision for BSNL Pensioners needs to be implemented w.e.f. 01.01.2017 based on 7th CPC fitment formula with multiplying factor of 2.515, as illustrated in para 4.6.2 above, after the due approval of the Union Cabinet.

With kind regards

**Yours faithfully,
Sd/-
(Prahlad Rai)
General Secretary**

Copy for kind information and necessary action to:-

1. Shri Pradeep Kumar Sinha, Cabinet Secretary, Govt. of India, New Delhi-110001
2. Smt Aruna Sundararajan, Secretary (T), DOT, Govt. of India, New Delhi-110001.
3. Shri R. K. Misra, Member (S), Telecom Commission, Govt. of India, New Delhi-01
4. Smt Anuradha Mitra, Member (F), Telecom Commission, New Delhi-01
5. Shri Anupam Srivatava, CMD, BSNL, New Delhi-110001
6. Smt Sujata T Ray, Director (HR), BSNL Board, New Delhi-110001