



# ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

## Central Headquarters

Flat No.6, Second Floor, Subiksha Apartment,  
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### President

V. Chinnappiah  
(M) 9444003300

### General Secretary

R.R.Balasubramanian  
(M) 9486100613

### Financial Secretary

Awadesh Sharma  
(M) 9968630008

No.AIBSNLREA/CHQ/2023/76

Dated: 9<sup>th</sup> October 2023

To

Shri Ajay Kumar Sahu,  
Member (Services),  
Department of Telecommunications,  
New Delhi-110001

Sub: **Unjustifiably forcing BSNL to pay Pension contribution on maximum of pay scale instead of existing pay in respect of the BSNL absorbed Employees – Request for intervention**

Sir,

This is in continuation of the informal discussions we had with you on 26.09.2023, wherein we had drawn your kind attention to a major financial distress inflicted on BSNL by unjustly forcing it to pay Pension Contribution in respect of its absorbed employees on the basis of maximum of the pay scales under FR 116, while calculating pension contribution under FR 116 has been modified w.e.f. 1.1.2006 as “on the basis of existing pay of the Government servants on deputation.” Had due importance been given to this issue, BSNL would have been spared the unnecessary drain of hundreds of crores of rupees every year from its resources.

2. While BSNL was formed in the year 2000 as a fully Government owned PSU, the Cabinet had approved a framework in relation to the pension and retirement benefit of the erstwhile DoT employees getting absorbed in BSNL and opting for combined service pension (putting together their service rendered in DoT and BSNL). According to the Cabinet decision “**All employees will be entitled to Government's scheme of pension/family pension even after their absorption; Payment of pension would be made by Government and Arrangements would be worked out for obtaining pension contribution from the PSU to be deposited with the Government.**”

3. Subsequently orders were issued vide DoT letter No. 2-1/200.TA-1/17 dt.31.07.2002 that “*pension contribution is payable by BSNL (both for the deemed deputationists of all categories as well as the absorbed employees of the Group 'C' and 'D' as per rates of contribution prescribed in the Fundamental Rules 116 and 117 under Appendix 2 of Swamy's Compilation. These will be calculated*

*at the maximum of the scale of the post held by the official of rates varying with the length of service given in the Annexure of appendix 2 (FRs 116 & 117)."*

4. FR 116 pertains to payment of pension contribution in respect of Government servants on deputation to other departments/PSUs payable by the borrowing department. The rate of pension contribution is to be calculated as per DoP&T orders issued from time to time. While the rate was being calculated based on the maximum of the pay scale till 31.12.2005 as per the then existing OM of DoP&T **[Annexure-A]**, it was modified vide DoP&T OM No.2/34/2008-Estt (Pay-II) dated 19.11.2009 **[Annexure-B]** as "based on existing basic pay" w.e.f. 1.1.2006. **This change of rate of pension contribution is yet to be implemented in respect of BSNL absorbed employees, with BSNL still continuing to pay pension contribution on the maximum of the pay scale.**

5. This modified order of DoP&T was issued in consultation with Department of Expenditure which had stated vide its ID No. MoF (DoE) ID No.228 (SO)(E-III(A))/08 dated 19<sup>th</sup> December 2008, **[Annexure-C]** that "*With the introduction of Modified ACP Scheme under which an employee will now get financial upgradation to the next higher grade pay on completion of 10 years of service, under normal circumstances, no government servant is likely to remain in a particular grade for more than 10 years. In the light of this position, it is proposed that instead of the present practice of basing the calculation of pension contribution during the active period of foreign service on the basis of the maximum of the pay scale plus dearness pay appropriate to such maximum plus interim relief appropriate to such maximum, such calculations may now be based on the existing basic pay of the Government Servant.*" **The above justification, as advanced by Department of Expenditure in respect of CG employees on foreign service, in fact is equally applicable to the BSNL employees since all the BSNL Executives are covered under time bound financial upgradation Scheme after every 4/5 years and the non-executive employees after 7/8 years.** Since none of the BSNL Executives remain in the same scale for more than 4/5 years and similarly the non-executives for more than 7/8 years, payment of pension contribution by BANL basing on 'existing pay' of the BSNL employees is fully justified as per DoP&T OM No.2/34/2008-Estt (Pay-II) dated 19.11.2009 and needs to be implemented w.e.f. 1.1.2006 as in the case of the CG employees or even earlier as the time bound financial upgradations in BSNL were made effective w.e.f. 1.10.2004.

5. Subsequently, **DoT had committed at least in three of its Memorandum of Understanding with BSNL [Annexure-D] to ensure that "Pension Contribution is collected on the actual basic pay instead of maximum of the scale in IDA which is contrary to the procedure followed in respect of CDA scales."** This commitment could not be fulfilled for reasons known only to DoT. DoP&PW had long back in the year 2013 concurred with a GoM decision to extend this methodology to MTNL/BSNL employees w.e.f. 1.1.2006. But Cabinet approval for the same was put on hold in the last minute. Later while extending the benefit of Rule 37A for MTNL employees, a proposal for change in methodology in pension contribution - as per FR-116 upto 31.12.2005 on the maximum of the IDA pay scales and with effect from 01.01.2006 on the actual pay drawn in the

IDA pay scales, was mooted but again it was dropped before final approval of the Cabinet but after issue of Press Release on the subject [Annexure-E]. **There can be no justification for treating BSNL differently when pension contribution is collected from it under the same FR 116 and irrespective of the fact BSNL employees draw pay in IDA scales.**

6. Subsequently DoE had wanted some clarifications on allowing BSNL to pay pension contribution on existing pay. DoT vide its letter **No.40-32/2011-Pen(T) dated 2<sup>nd</sup> January 2019 addressed to CMD BSNL [Annexure-F]** had listed five points on which DoE required clarification on the matter and had requested BSNL to get them examined and furnish clarifications to DoT for further deliberation in DoT and onward submission to DoE. While we believed that BSNL had submitted the clarifications and the matter was only pending with DoE, we were shocked to learn through a reply dated 11.11.2022 from DoT under RTI [Annexure-G], that **“reply from BSNL is still awaited.”** Our efforts to ascertain the status of further progress in the matter did not bear fruit.

7. We still have a genuine concern about revival of BSNL as the ones have given our blood and sweat in building the organization. We do not know as to why this pension contribution matter was not put up to Cabinet while getting three BSNL revival packages approved in the recent times.

8. We therefore request your personal intervention in this matter for impressing upon the Department of Expenditure, so that BSNL is also allowed to pay pension contribution in respect of its absorbed employees on ‘existing pay’ w.e.f. 1.1.2006 and the excess amount paid by BSNL all these years is refunded. This will not only improve the financial finances but also remove the hurdles in revising the pay scales of BSNL employees.

With kind regards,

Yours sincerely,



(R.R. Balasubramanian)  
General Secretary

*No. 2/3/2000- Estt. (Pay II)*  
*Government of India*  
*Ministry of Personnel, P.G. and Pensions*  
*Department of Personnel & Training*

.....

*New Delhi, the 1<sup>st</sup> May, 2000*

**Office Memorandum**

Subject: Calculation of monthly contribution towards cost of Pension payable during foreign service –

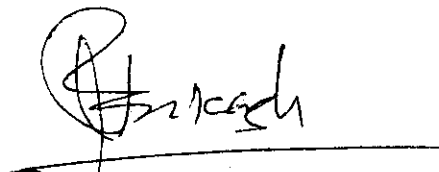
The undersigned is directed to invite reference to this Deptt.'s OM No.2/44/85-Estt (Pay II) dt. 5.10.87 on the above subject and to say that according to that order w.e.f. 1.1.1986, the pension contribution payable in respect of a Government servant during the active period of his foreign service shall be based on the maximum of the pay as defined in Rule 9(21)(a)(i) of the Fundamental Rule of the pay scale (effective from 1.1.1986) of the post held by a Government servant at the time of proceeding on foreign service or to which he may receive proforma promotion while on foreign service.

2. Consequent upon revision of Central Government pay scales w.e.f. 1.1.96 and the decision to calculate pension from 1.1.96 with reference to pay as defined in FR 9(21)(a)(i), the question of issuing necessary revised orders in this regard has

been engaging the attention of the Government of India. The President is now pleased to decide that pension contribution payable in respect of a Government servant during the active period of his foreign service shall be based on the maximum of the pay as defined in Rule 9(21)(a)(i) of the Fundamental Rule of the revised pay scale of the post held by a Government servant at the time of proceeding on foreign service or to which he may receive proforma promotion while on foreign service.

3. These orders will apply w.e.f. 1.1.96. In respect of persons who are already on foreign service as on 1.1.1996, the rates of pension contribution will be calculated as per above formula with effect from the date they opt to come over to the revised scale in their parent cadres. For the earlier period, the pension contributions will be as per extant orders i.e. the orders in force period prior to 1.1.96 from time to time.

4. In so far as the persons serving in the Indian Audit & Accounts Department are concerned, these orders are being issued after consultation with the Comptroller and Auditor General of India.



(Chander Prakash)

Under Secretary to the Govt. of India

To,

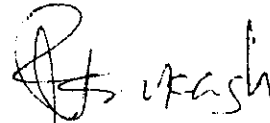
All Ministries/Departments of the Government  
of India (as per standard list).

No.2/3 /2000 -Estt. (Pay.II)

New Delhi, the 15<sup>th</sup> May, 2000

Copies also forwarded to:

1. The Comptroller & Auditor General of India and all States under his control (with 400 spare copies)
2. Controller General of Accounts/Controller of Accounts, Ministry of Finance.
3. Secretaries to Union Public Service Commission/Supreme Court of India/Election Commission/Lok Sabha Secretariat/Rajya Sabha Secretariat/Cabinet Secretariat/Central Vigilance Commission / President's Secretariat / Vice President's Secretariat/Prime Minister's Office/Planning Commission.
4. Department of Personnel & Training (AIS Division)/JCA/Admn. Section.
5. Additional Secretary (Union Territories), Ministry of Home Affairs.
6. All State Governments and Union Territories.
7. Secretary, National Council (Staff Side), 13-C, Feroz Shah Road, New Delhi.
8. All Members of the Staff Side of the National Council of JCM/Departmental Council.
9. All Officers/Sections of the Department of Personnel & Training/Department of Administrative Reforms & Public Grievances/Department of Pension & Pensioner's Welfare.
10. Ministry of Finance, Department of Expenditure.
11. 300 Spare sets.



(CHANDER PRAKASH)

Under Secretary to the Govt. of India

No. 2/34/2008-Estt. (Pay II)  
Government of India  
Ministry of Personnel, Public Grievances & Pensions  
Department of Personnel & Training  
\*\*\*\*\*

New Delhi, Dated 19th November, 2009.

OFFICE MEMORANDUM

Subject: Calculation of monthly contribution towards cost of Pension payable during foreign service.

The undersigned is directed to invite reference to this Department's O.M. No. 2/3/2000-Estt. (Pay II) dated 15<sup>th</sup> May, 2000 on the above subject and to say that according to that order w.e.f. 1.1.1996 the pension contribution payable in respect of a Government servant during the active period of his foreign service shall be based on the maximum of the pay as defined in Rule 9(21)(a)(i) of the Fundamental Rule of the revised pay scale of the post held by a Government servant at the time of proceeding on foreign service or to which he may receive proforma promotion while on foreign service.

2. Consequent upon revision of Central Government pay scales in Pay Bands and Grade Pay w.e.f. 1.1.2006 after implementation of the Sixth Central Pay Commission's recommendations, the question of issuing necessary revised orders on the above subject has been engaging the attention of the Government of India. The President is now pleased to decide that pension contribution payable in respect of a Government servant during the active period of his foreign service shall be based on the existing basic pay (Pay in the Pay Band plus Grade Pay) of the post held by a Government servant at the time of proceeding on foreign service and in case he receives proforma promotion/financial up-gradation while on foreign service, on the basic pay (Pay in the Pay Band plus Grade Pay) fixed on such promotion/financial up-gradation.

3. These orders will apply w.e.f. 1.1.2006. In respect of persons who are already on foreign service as on 1.1.2006, the rates of pension contribution will be calculated as per above formula with effect from the date they opt to come over to the revised scale in their parent cadres. For the earlier period, the pension contributions will be as per extant orders i.e. the orders in force period prior to 1.1.2006 from time to time.

ISA  
S.D.S (PD)  
7/12/09  
11/12/09

11/12/09

5/12/09

4. In so far as the persons serving in the Indian Audit & Accounts Department are concerned, these orders are being issued after consultation with the Comptroller and Auditor General of India.

(B.K. Mukhopadhyay)  
Director

To

**All Ministries/Department (as per standard list)**

**Copy to :** Director (NIC), Department of Personnel & Training, to upload the O.M. on this Department's website under the Head "Establishment (Pay)", Sub-Head "Pay Rules" & also in "What's new".

**Copies also forwarded to:**

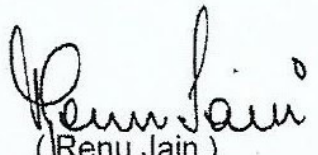
1. The Comptroller & Auditor General of India and all States under his control. (With 400 spare copies)
2. Controller General of Accounts/Controller of Accounts, Ministry of Finance.
3. Secretaries to UPSC/Supreme Court of India/Election Commission/Lok Sabha Secretariat/Rajya Sabha Secretariat/Cabinet Secretariat/Central Vigilance Commission/President's Secretariat/Vice President's Secretariat/Prime Minister's Office/Planning Commission.
4. Department of Personnel & Training (AIS Division)/ICA/Adm. Section.
5. Additional Secretary (Union Territories), Ministry of Home Affairs.
6. All State Governments and Union Territories.
7. Secretary, National Council (Staff Side), 13-C, Feroz Shah Road, New Delhi
8. All Members of the Staff Side of the National Council of JCM/Departmental Council.
9. All Officers/Sections of the Department of Personnel & Training/Department of Administrative Reforms & Public Grievances/Department of Pension & Pensioners' Welfare.
10. Ministry of Finance, Department of Expenditure
11. 50 spare copies.

Ministry of Finance  
Department of Expenditure  
E.III (A) Branch

Ref preceding note of DOP&T from page 1/ante.

The proposal has been examined in this Ministry. After the implementation of Sixth CPC's recommendations, running pay bands and grade pays have been introduced and as such there is no maximum of the pay scales. Also, with the introduction of Modified ACP Scheme under which an employee will now get financial up-gradation to the next higher grade pay on completion of 10 years of service, under normal circumstances, no government servant is likely to remain in a particular grade for more than 10 years. In the light of this position, it is proposed that instead of present practice of basing the calculation of pension contribution during the active period of foreign service on the basis of the maximum of the pay scale plus dearness pay appropriate to such maximum plus interim relief appropriate to such maximum, such calculations may now be done based on the existing basic pay of the Government servant. Accordingly, it is advised that the Tables may be worked out based on the existing basic pay of the Government servant.

This issues with the approval of Secretary(Expenditure).

  
(Renu Jain)  
Deputy Secretary

JS(E), D/o Personnel & Training, North Block, New Delhi.  
MoF(DoE) ID No.228(SO(E-III(A)/08, dated 19<sup>th</sup> Dec, 2008.

JS(E) - in leaves

Di (Pay)

S.O. Singh

22/12/08

23/12  
to me

**PART-IV**  
**[of MOU between BSNL and DoT for 2013-14]**  
**COMMITMENT/ASSISTANCE FROM THE**  
**DEPARTMENT OF TELECOMMUNICATION,**  
**GOVT.OF INDIA**

**BSNL shall require support from Government in the following matters:**

- i. Re-imburement of deficit on account of commercially non-viable services:
  - a. Rural Wireline
- ii. Refund of upfront BWA spectrum License fee.
- iii. Center/State governments and PSUs should give priority to BSNL for their telecom service requirement.
- iv. Pension Contribution is collected on the maximum of the scale in IDA instead of on actual pay drawn which is contrary to the procedure followed in respect of CDA scales.
- v. Funding Support for VRS
- vi. No levy of charges towards additional spectrum, as recommended by TRAI.

**PART-IV**  
**[of MOU between BSNL and DoT for 2012-13]**  
**COMMITMENT/ASSISTANCE FROM THE DEPARTMENT**  
**OF TELECOMMUNICATION, GOVT.OF INDIA**

**Government shall endeavor to assist BSNL in the following matters:**

- i. Re-imburement of deficit on account of commercially non-viable services.
- ii. Refund of upfront BWA spectrum License fee.
- iii. Issue of a soft loan which has been requested by BSNL for an actual loan of Rs. 15000 crores for 10 years with a moratorium of 5 years.
- iv. Center/State governments and PSUs should give priority to BSNL for their telecom service requirement.
- v. Pension Contribution is collected on the maximum of the scale in IDA instead of on actual pay drawn which is contrary to the procedure followed in respect of CDA scales.
- vi. Funding Support for VRS

# Business Standard

## Cabinet approves disbursement of pensionary benefits to all MTNL employees

ANI | New Delhi December 26, 2013 Last Updated at 14:33 IST

The Union Cabinet on Thursday approved the disbursement of pensionary benefits to all categories (Group A, B, C and D) of MTNL employees, and to those who have opted for combined service.

Accordingly, consequential amendments to the Central Civil Services (Pension) Rules, adjustments in respect of Government pension liability previously discharged by MTNL and proposed change in methodology in pension contribution as per FR-116 upto 31.12.2005 on the maximum of the IDA pay-scales and with effect from 01.01.2006 on the actual pay drawn in the IDA pay-scales will be made, the Cabinet said in a statement.

Based on the approval for payment of pensionary benefits to the erstwhile government employees absorbed in MTNL who have opted for combined pension in the same manner as in BSNL, necessary amendments in Rule 37-A of CCS (Pension) Rules, 1972 to include MTNL along with BSNL, will be issued and adjustments in respect of Government pension liability previously discharged by MTNL will be done within three months.

The Cabinet felt that this would help to resolve the long pending MTNL pension issue.

The proposal entails an estimated recurring expenditure of approximately Rs. 500 crore per annum besides adjustments in respect of government pension liability previously discharged by MTNL.

This decision would give benefit to approximately 43000 employees of Delhi and Mumbai.

No. 40-32/2011-Pen(T)  
 Government of India  
 Ministry of Communications  
 Department of Telecommunications  
 (Pension Section)

516, Sanchar Bhawan  
 20, Ashoka Road, New Delhi  
 Dated: 22 January, 2019

To,  
 The Chairman and Managing Director  
 BSNL Corporate Office  
 Bharat Sanchar Bhavan  
 Harish Chandra Mathur Lane, Janpath  
 New Delhi-110 001.

Dr. GM (Estt)  
 Pl. see exam  
 27.1.19  
 3/11

**Sub: Methodology of payment of pension contribution in respect of employees of DoT absorbed in BSNL**

This is with reference to proposal of change of pension contribution by BSNL to Govt. from 'maximum of scale' to 'actual basic pay' and to state that same was submitted for consideration of Department of Expenditure. The DoE has examined the same and sought clarification on following points:

- (i) The proposed change in the rate of contribution would be effective from which date?
- (ii) In case it is effective from a date prior to April, 2017 (based on which the current estimate of Rs.792 crore has been given), the basis of that date of effect may be indicated and the annual implication based on the current rate and the proposed rate for each year of the previous period may be indicated.
- (iii) Whether BSNL has already paid pension contribution based on the existing rate. If so, up to which period the payment has been made. If the payment has to be made based on the proposed rate, how the balance amount would be accounted for.
- (iv) Since the concerned employees are on IDA pattern of pay scales, which are different from CDA pattern pay scale including date of effect, how far it is justified to draw a parallel from the principle of pension contribution rate based on DoPT orders which are applicable to CDA pay scales.
- (v) The pension liability (annual) in respect of absorbed employees of BSNL which is being paid by the Government of India may also be indicated.

2. Since the above points pertain to BSNL, it is requested that same may be examined and clarifications regarding the same be furnished to this office for further deliberation <sup>in</sup> this office and onward submission to DoE.

*(Signature)*  
 (K.S. Dahiya)

Under Secretary to the Government of India

Ph. 011 2303 6260



[A+](#) [A](#) [A-](#)



Select Language: English ▼

**Annexure-G**

Public Authorities Available


# RTI Online

Version 2.0

An Initiative of Department of Personnel & Training, Government of India

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## [Final Status of DOTE/R/E/22/00824](#)

<b>Applicant Name</b>	Balsubramanian R R
<b>Date of receipt</b>	06/11/2022
<b>Request Filed With</b>	Department of Telecommunications
<b>Text of Application</b>	<p>A copy of DoT letter No.40-32/2011-Pen(T) dated 2nd January 2019 addressed to the CMD BSNL is enclosed. With reference to this letter, the following information may please be furnished under RTI.</p> <ol style="list-style-type: none"><li>1. Copy of the BSNL letter conveying the clarifications as requested, along with attachments if any.</li><li>2. Copy of DoT letter conveying these clarifications to DoE, along with attachments if any.</li><li>3. Copy of further correspondences between DoE-DoT-BSNL on the subject, along with attachment if any.</li></ol>
<b>Request document (if any)</b>	
<b>Status</b>	<b>REQUEST DISPOSED OF</b> as on 11/11/2022
<b>Date of Action</b>	11/11/2022
<b>Remarks</b>	<b>Reply :-</b> No such information is available, as reply from BSNL is awaited.
<a href="#">Print</a>	

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