



# ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

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No. AIBSNLREA/CHQ/2018/07

Dated: 22 .01.2018

To

Shri Narendra Modi,  
Prime Minister of India,  
South Block,  
New Delhi 110011.

**Sub: When Government violates spirit of its own Rules - Case of asking pension contribution under FR- 116 from Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited in respect of the absorbed employees of BSNL/MTNL by Department of Telecommunications**

Hon'ble Sir,

We are to bring to your kind notice a peculiar case in which the spirit of the Rules as laid down by the Government is continuously being violated by Department of Telecommunications and as a result two of its CPSEs are facing acute financial crisis.

2. When Government servants are deputed/transferred on foreign service to other Organizations, as per Fundamental Rules, the said organizations are to pay pension contribution in respect of these Government Servants as decided under FR-116 to the concerned parent Government Departments. But Department of Telecommunication is collecting pension contribution under FR-116 even for its erstwhile employees who were earlier transferred on deemed deputation basis and then subsequently got absorbed in Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited. After absorption in BSNL and MTNL on permanent basis, these employees ceased to be Government servants under Sub-rule 4 of Rule 37-A of CCS (Pension) Rules, 1972. Since these absorbed employees are no longer Government servants and consequently not on deputation/Foreign Service, no pension contribution as per provisions of Fundamental Rules should be demanded from BSNL and MTNL.

3. Moreover, DoP&T vide its OM No.2/34/2008—Estt. (Pay II) dated 19<sup>th</sup> November 2009 issued Orders that w.e.f. 1.1.2006 the pension contribution as per FR-116 will be calculated based on the actual pay drawn in the IDA pay scales and not on the maximum of the IDA pay scales as was the methodology earlier. But Department of Telecommunication is still charging pension contribution from BSNL and MTNL on the maximum of the IDA scales. Further, Department of

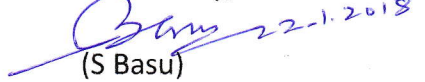
Telecommunication is even now sitting over a proposal sent by Bharat Sanchar Nigam Limited to allow calculation of pension contribution on the actual pay of the absorbed serving employees.

4. Surprisingly, the Department of Telecommunication is yet to implement a Cabinet decision taken on 26<sup>th</sup> December, 2013, as reported by Press Information Bureau (copy enclosed), that "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." This is unfortunate that Department of Telecommunication does not hesitate even to violate this Cabinet decision and not implement the same.

5. In view of the above facts and circumstances of the issue, we fervently appeal to you to kindly intervene in the matter so that Department of Telecommunication stops collecting pension contribution under FR-116 from BSNL for the absorbed employees who are no more its employees and as such their postings on deputation/foreign service in BSNL do not arise at all. Till a decision is taken on the matter, let the pension contribution be collected w.e.f. 01.01.2006 only on the actual pay drawn in the IDA pay scales as per the revised Rules issued by DoP&T.

With kind regards,

Yours sincerely,

  
(S Basu)

General Secretary

Encl: As stated

Copy to:

1. Shri Manoj Sinha,  
Minister of State for Communications.  
Government of India.
2. Smt Aruna Sundararajan,  
Secretary (Telecom),  
Department of Telecommunications.
3. Shri Anupam Shrivastava,  
Chairman & Managing Director,  
Bharat Sanchar Nigam Limited.

**Press Information Bureau  
Government of India  
Cabinet**

26-December-2013 13:27 IST

**Disbursement of pensionary benefits to all the combined service pension optee absorbed employees of Mahanagar Telephone Nigam Limited (MTNL)**

The Union Cabinet today approved the erstwhile all categories (Group A, B, C & D) of employees of the government absorbed in MTNL and who have opted for combined service may be given similar treatment in the matter of payment of pensionary benefits as available to the absorbed employees of BSNL. 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.

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.

This would help to resolve the long pending MTNL pension issue. The proposal entails an estimated recurring expenditure of approximately Rs. 500 Cr 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.

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SC/VK