

FORUM OF BSNL UNIONS / ASSOCIATIONS

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Forum/Superannuation

04-03-2014

Ms. Geeta Rau,
Executive Director (Finance) &
Chairman HLC on Superannuation Benefits,
BSNL Corporate Office, Sanchar Bhawan
NEW DELHI-110001

Sub: - Issues related to provisions of Superannuation Benefits to BSNL Appointed Employees - Reg

Respected Madame,

The Forum of BSNL Unions/Associations wishes to bring the following facts before the High Level Committee on Superannuation Benefits to the BSNL Direct Recruited Employees, for consideration and favorable recommendation to the BSNL Management.

The earlier Officers Committee has recommended that at the initial stage, the company may contribute at the rate of 2 % (Basic plus DA) on monthly basis and the employees may be allowed to contribute even higher rate subject to the minimum 2%.

As per DPE OM 26-11-08 CPSEs would be allowed 30% of Basic Pay as Superannuation Benefits, which may include CPF, Gratuity, Pension and Post- Retirement Medical Benefits. The DPE OM 2-4-09 corrected the OM dated 26-11-08 by adding DA also with Basic Pay for the calculation of ceiling of 30%, which is more beneficial than the earlier OM. As per DPE OM dated 24-1-2013, it has been clarified that DPE OMs do not provide for mandatory contribution on the part of employees and suggested that employees' contribution to their post retirement benefit would enhance their social security and therefore CPSEs can frame scheme as per their requirement.

As per above, it is clear that "PSU have to contribute 30% of Basic+DA for Superannuation Benefits". But at present BSNL is only making contribution towards EPF (12%), Gratuity (4.5%) and Post Retirement Medical Benefits (1.5%), which is total 18%. Hence, BSNL has to contribute remaining 12% as Superannuation Benefits in respect of the Direct Recruittees.

We are providing the examples of proposals of some PSUs in this regard, based on above said guidelines.

1. **Bharat Heavy Electricals Limited:** The allocation Ratios for the said 30 % of Basic plus DA are CPF: 12 % Gratuity: 4.81 %, PRMB: 4.50% and contribution for pension 8.69 %. Effective date is 01.01.2007.

2. **NLC:** PF 12 % Gratuity 4.16 % PRMB 3.84 % and for Pension 10%

3. **Coal India Limited:** PF 12 % PRMB 4% Gratuity 4.16% and for Pension 9.84 %. Effective date is 01.01.2007.

4. **Power Grid:** PGCIL has accepted 30% scheme.

In view of the above, we are submitting the following suggestions:-

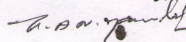
1. The effective date of implementation of Superannuation Benefits of BSNL Recruited Employees must be 01-10-2007 .
2. As per DPE OM 26-11-08, CPSEs would be allowed 30% of Basic Pay as Superannuation benefits. So, BSNL should contribute the same.
3. 8.33% Contribution of BSNL and 1.16 % of Government to EPS Fund should be continued.
4. As per DPE OM dated 24-1-2013, it has clarified that DPE OMs do not provide for mandatory contribution on the part of employees and suggested that employees' contribution to their post retiring benefit would enhance their social security and therefore CPSEs can frame scheme as per their requirement. We suggests that the employee contribution in this respect should not be taken mandatory.

Direct Recruited employees are going to be the backbone of the BSNL in the coming days. The issue of the present loss of the company cannot be the criterion for calculating the life-long benefits of the employees. Even now, BSNL has an accumulated profit of about Rs. 47,000 crore for the first seven years, compared to the cumulated loss of about Rs. 25,000 for the last four consecutive years. The workers and their organizations are making all efforts to make the BSNL financially viable and hence the employees should not be penalized for their entire life by reducing the benefits on superannuation.

It has also to be noted that while the BSNL absorbed DOT employees are getting Defined Pension and other retired benefits as per government decisions, those recruited/appointed by the BSNL are denied the same. In such a situation, these direct recruited employees should be granted at least whatever guidelines have been given by the DPE. Had the BSNL Management initiated the process immediately after the formation of BSNL, the question of loss to the company would never have arisen.

It is therefore stress that the High ^{Level} Power Committee may take all the above facts in to consideration and recommend full 30% Superannuation Benefits to the Direct Recruited Employees. The Forum/Unions/Associations may also be allowed to present their case in person to the Committee.

Yours Sincerely,



V.A.N.Namboodiri

Convener, Forum

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Copy to:-

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2. The Director (HR) , BSNL CO, New Delhi
3. The GM(SR) , BSNL CO, New Delhi