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No. AIBSNLEA/CHQ/Dir (HR)/2014

DATED: 29.04.2014

To

Shri A.N.Rai,
Director (HR),
BSNL Board
NEW DELHI-110001

Subject: Superannuation benefits of DR Employees and Pay parity/Loss of pay of DR-JTO/JAO-Reg

**Reference: 1. AIBSNLEA/CHQ/Sr.GM (Admn)/2013 DATED: 31.07.2013
2. AIBSNLEA/CHQ/ED(Fin.)/2014 DATED: 05.03.2014**

Respected Sir,

We have already submitted our views on the below mentioned points for consideration of the Higher Level Committee (HLC). It is understood that the HLC has not recommended any percentage of contribution on superannuation fund and left it with BSNL Management's decision. Therefore, we are once again reiterating the following for your kind consideration please.

1. Superannuation benefits of DR Employees

The Committee constituted by BSNL Management has recommended that at the initial stage, the BSNL 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%.

AIBSNLEA has already submitted its views in this regard.

However, we once again want to reiterate that as per DPE OM dated 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. And, DPE OM dated 2-4-09 corrected the OM dated 26-11-08 by adding DA also with Basic for deciding the ceiling of 30%.

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 we can conclude 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 Direct Recruits.

We are providing the examples of some PSUs proposals in this regard.

- 1. BHEL Proposals:** 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 %**

2. **NLC Proposals:** PF 12 % Gratuity 4.16 % PRMB 3.84 % and for **Pension 10%**
3. **COAL India:** PF 12 % PRMB 4% Gratuity 4.16% and for **Pension 9.84 %**
4. **Power Grid:** PGCIL has accepted 30% superannuation benefit scheme.

We are hereby submitting the following views for consideration of the HLC-

1. BSNL should contribute 12% as Superannuation Benefits in respect of Direct Recruits, to fulfill the limit of 30% contribution.
2. The effective date of implementation of Superannuation benefits of BSNL Recruited Employees must be 01.01.2007
3. As per DPE OM dated 26-11-08, CPSEs would be allowed 30% of Basic Pay as Superannuation benefits. So, BSNL should contribute at least the rate of 12 % (Basic plus DA) on monthly basis and the Employees may be allowed (**not mandatory**) to contribute even higher rate subject to the minimum 12%.
4. 8.33% Contribution of BSNL and 1.16 % of Government to EPS Fund should be continued.
5. 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 We suggests that the employee contribution in this respect should not be taken mandatory.

Recently BSNL Management has organized a meeting on 15.01.2014 with all the Unions/Association on this issue and insisted for providing only 2% additional contribution as superannuation fund. But all the Unions/Association including AIBSNLEA has submitted their crystal clear stand for providing the remaining 12% contribution as superannuation fund only.

2. **AIBSNLEA's Views to Higher Level Committee on Pay parity/Loss of pay of DR-JTO/JAO**

It is also reliably learnt that the HLC has also linked the JTO 2007 and 2008 batches Pay anomaly case with the decision on finalization of E1A and E2A IDA Pay scales from DPE.

We would like to draw your kind attention towards the Serious demoralization of the JTOs/ of 2007 and 2008 batch (along with JAOs recruited after 01.01.2007) at the very initial stage of their career span due to inordinate delay in finalization of pay scales of JTO/JAO equivalent (E2) and SDE/AO equivalent (E3). AIBSNLEA has already raised the issue many times with the concerned authorities in various meetings.

Around 5000 Direct Recruit JTOs have joined BSNL after 1.1.2007 in JTO 2007 and 2008 batch. These all are badly demoralized and frustrated due to a large difference of around Rs 3500/- in basic pay as compared to the JTOs recruited prior to 01.01.2007. At the time of their recruitment, it was advertised that they will be fixed on E1A pay scale, but it is unfortunate that they were fixed on revised E1 scale initially.

It is worthwhile to mention here that a committee was constituted under the Chairmanship of Shri K C G K Pillai, the then PGM (FP) to find out the possibilities to overcome the situation of the pay loss to 2007 and 2008 batch JTOs/JAOs. The committee was in favor to recommend standard pay scales i.e. E2 for JTO/JAO and E3 for SDE/AO, but the committee recommend provisional pay of E1+5 increments only due to possible enhancement in pension contributions in that situation. Management has extended the E1+5 increments of JTO 2007 and 2008 batches but it is definitely not a permanent solution. The pay differences between the JTOs recruited after 01.01.2007 and their counterparts who joined before 01.01.2007 will boost up largely in 3rd PRC in 2017.

DoT has rejected the proposal of BSNL Management for Intermediary pay scales of E1A and E2A for the JTO/JAO, SDE/AO cadres. It is pertinent to mention that as per Recommendation of 2nd PRC, DPE has issued order to all CPSEs vide Letter No. 2(70)/08-DPE(WC)-GL-VII/09 dated 02/04/2009

wherein it is clarified that "There will be no change in the ten pay scales of below board level posts as indicated in OM dated 26/11/2008 and there is no justification for introducing intermediary pay scales. DPE has provided the guidelines that all CPSUs should switch over to standard pay scales recommended by 2nd PRC. It is pertinent to mention here Many PSUs in Oil, Power and Electrical sectors have already made switchover to the new standard IDA pay scales w.e.f. 01.01.2007 as per the guidelines of DPE.

Finally, the only solution of the problem is to fulfill the very legitimate demand to place JTOs and SDEs in standard pay scales of E2 and E3. The demand to place JTOs and SDEs in standard pay scales of E2 and E3 is very legitimate. The plea of the management is that placing JTOs and SDEs in standard pay scales of E2 and E3 will have huge financial implications in terms of pension contribution by BSNL to DOT but on this pretext the legitimate pay scales to JTOs/SDEs equivalent executives cannot be denied. It is reliably learnt that E-1A, E-2A and E-9A IDA pay scale proposal has been cleared by the internal finance of DoT and shortly it will be send to DPE for clarification on the substitute IDA pay scales of E-1A and E-2A to JTO/SDE IDA pay scales in BSNL. Sir, we humbly request you to use your good Office to pursue with DPE for early clarification on the matter.

Sir, a prompt and immediate action on the matter will definitely boost the morale of the young JTOs/JAOs of BSNL; especially the DR-JTOs of 2007 and 2008 batch and they will surely play a major role in BSNL's revival and its better future. We have full hope and faith that an early action will be taken on this legitimate demand of the Direct Recruits of BSNL by giving them full 30% superannuation benefit and extending Pay parity of DR-JTOs/JAOs

With Kind Regards,

Yours sincerely,
-sd-
(Prahlad Rai)
General Secretary

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