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No. AIBSNLEA/CHQ/CMD/2014

DATED: 12.08.2014

To

**Shri A.N. Rai,
CMD BSNL
NEW DELHI-110001**

Sub: - Extending 30% Superannuation benefits to BSNL Direct Recruit Employees -Reg

**Ref:- 1. AIBSNLEA Letter No. AIBSNLEA/CHQ/Sr.GM (Admn.)/2013 DATED: 31.07.2013
2 AIBSNLEA/CHQ/ED(Fin.)/2014DATED: 05.03.2014**

Respected Sir,

The Implementation of full 30% superannuation benefits to directly recruited employees of BSNL was one of the unsolved problems which is directly affecting the morale and efficiency of our young force. BSNL Management has formed a High Level committee to analyse the issue as per the agreement reached between the Forum of BSNL Unions/Associations and BSNL Management on 10.06.2012. It is learnt that the HLC has **not recommended 30% of contribution on superannuation fund and left with BSNL Management decision. So we are once again retreating the following for your kind consideration please.**

The Officers 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%.

This Association has already submitted its crystal clear views about the issues related to provisions of Superannuation Benefits to directly recruited employees.

We once again want to reiterate that 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. Whereas DPE OM 2-4-09 corrected the OM dated 26-11-08 by adding DA also with Basic for the ceiling of 30%, which one is more beneficial than the earlier OM.

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

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.

Sir, All the absorbed employees of BSNL are covered by Govt pension scheme under Rule 37A But the directly recruited employees of BSNL are not having any superannuation benefits in real sense. Making the issue pending just in the name of financial implication is making demoralizing the whole Direct Recruits employees of BSNL, and sooner or later it will reflect on company's performance.

We want to mention that the demand of the Extending 30% Superannuation benefits to BSNL Direct Recruit Employees is very old and legitimate and were also one of the point of the Record of Discussion of the meeting of (a) Point no.19 of the record of discussion dated 02.05.2013 of meeting of BSNL Management and AIBSNLEA (b) Point no.2 of the record of discussion dated 08.08.2013 of meeting of BSNL Management and AIGETOA.

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 your kind consideration-

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 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 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.

Earlier 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.**

Hence a prompt and immediate action on the matter will definitely boost the morale of the young Direct Recruits of BSNL and they will surely play a major role in BSNL's revival and its better future. We have full hope and faith that definitely an early action will be taken on this legitimate demand of this Association by giving them full 30% superannuation benefit.

With Kind Regards,

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

Copy to:

1. Shri N. K. Gupta, Director (CFA), BSNL for information and necessary action please.
2. Shri Anupam Srivastava, Director (Finance/CM), BSNL Board for information and necessary action please.
3. Smt Sujatha Ray, Executive Director (Fin), BSNL for information and necessary action please.
4. Shri Neeraj Verma, GM (SR), BSNL Corporate Office for information and necessary action please.