

## **RECENT STRIKE AGREEMENT AND ITS POSSIBLE IMPACT**

### **DEMANDS**

- **Revise pay with 78.2% IDA merger.**
- **Revise Perks and Allowances.**
- **Restore Medical Allowance.**
- **Restore LTC/Leave Encashment.**
- **Implement child care leave.**
- **Provide retirement Benefits to BSNL recruited employees.**

### **AGREEMENT**

- (1) Revision of pay is agreed as per fitment benefit @ 78.2% w.e.f. 1.1.2007 subject to approval by the competent authority. However, actual payment will be made prospectively and arrears thereof will be deferred for the time being and will be paid only when the financial position of the company improves. This will be applicable for the Pensioners also.**
- (2) Medical re-imburement with voucher for outdoor treatment, Professional Upgradation allowance and HRA will continue to be paid at basic pay with 68.8% fitment. Payment of these allowances will be reviewed on 1.4.2013, subject to financial position of the company.**
- (3) All other allowances i.e. Children Education Allowance/Tuition Fees/Hostel Subsidy/ Family Planning Allowance etc will continue to be paid at current rates**
- (4) The issue of implementation of Child Care Leave will be taken up with the BSNL Board for re-consideration.**
- (5) For the purpose of provision of superannuation benefits to directly recruited employees as per DPE guidelines, a Committee will be constituted to re-examine the issue and give its recommendation.**

## POSSIBLE IMPACT

### *(A) As regards serving employees:*

(1) Higher fitment benefit of 78.2% will give an increase in basic pay w.e.f. 1.1.2007. Thus, there will be higher pay w.e.f. 1.1.2007. But the actual payment will be allowed prospectively and no date for its implementation has been fixed. Again this point in the agreement is subject to approval by the competent authority.

(2) Arrears on this account will accrue, but its payment will be made only when financial position of BSNL improves. However, criteria to determine the improvement in financial position has not been explained. It cannot be just when BSNL crosses the loss making point. Further, given the present position, improvement in financial position needs lots of measures to be taken and implemented. Thus, arrears on this account is likely to be held up for an indefinite period. Therefore, till that time the financial position of the company improves, the arrears will continue to increase. As the improvement in financial position of the company depends on so many factors, most of which are not under the control of the employees and also since there is no yardstick to measure whether the financial position has improved at a given point of time, this period is likely to be indefinite one going beyond some years. Meanwhile the next pay revision itself is due in January 2017 i.e. exactly in next 4 years 6 months. As such the effect of the agreement seems to be is that the pay fixation of 78.2 % w.e.f. 01.01.2007 may remain as notional only for most of the interim period.

(3) There will be no arrears on account of HRA, Professional Upgradation Allowance, Medical Imbursement with voucher for outdoor treatment, since these will continue to be paid at basic pay with 68.8% fitment. There is also no commitment in the agreement that these will be paid at basic pay with 78.2% fitment even prospectively after its implementation. It only says that payment of these allowances will be reviewed on 1.4.2013 subject to financial position of the Company. However, it appears that there is little hope for any upward revision after the proposed review, since the financial position of BSNL is not likely to dramatically improve to absorb the additional expenditure. Two sets of pay fixation with 78.2% and 68.8% fitment w.e.f 1.1.2007 gives a long rope to the Management to deny/delay revision of these allowances at basic pay with 78.2% fitment. Further, by making the parties agree to receive these allowances at basic pay with 68.8% fitment, BSNL would be having some savings. It is said that the Management wanted some matching savings which is said to have not been agreed upon by the staff side. But by offering and agreeing to receive the allowances at reduced rate i.e. at basic pay with 68.8%, they have indeed virtually agreed for matching savings.

**4) There is no change in the present rates in respect of all other allowances including Children Education Allowance/Tuition Fee/Hostel Subsidy/Family Planning Allowances. In other words, demand for revision of perks/allowances has not been agreed to. Since there is no increase in all other allowances, the Employees will not gain anything on these Heads.**

**(5) Proposal for implementation of Child Care Leave will be re-considered. But no commitment has been given for acceptance of the demand.**

**(6) For provision of superannuation benefits to directly recruited employees as per DPE guidelines, a Committee will be constituted to re-examine the issue. Here also, there is no commitment. But BSNL may agree within the framework of DPE guidelines.**

**(7) The demand for restoration of Fixed Medical Allowance without voucher for outdoor treatment is dropped.**

**(8) Demands for restoration of LTC/Leave Encashment are also dropped.**

***(B) As regards absorbed BSNL Pensioners***

**(1) It will be wrong to jump to the conclusion that BSNL has agreed for revision of pension of the pensioners as well by simply seeing the last sentence in the agreement on 78.2% pay fixation at Para 1 which reads as follows – “This will be applicable for the Pensioners also.” But in reality, this agreement is not regarding revision of pension for the pensioners. The words “This will be applicable.....” would only mean that the points stated earlier in the same first Para i.e. on pay fixation at 78.2 % w.e.f. 01.01.2007, date of actual payment and payment of arrears for the serving employees will also apply to the pensioners who retired after 01.01.2007. This, in no way, does speak about the revision of pension of those who retired after 01.01.2007. The Pension to the BSNL pensioners is paid by DoT and as such BSNL cannot sign any agreement with the serving employees on the same, since this is not under the purview of BSNL at all. The absorbed BSNL pensioners are covered under Rule 37 A of CCS (Pension) Rules 1972 and the Government i.e. Department of Telecommunication is responsible for all matters related to pension - like payment of pension and other pensionary benefits including revision of pension. Once the pay gets refixed at 78.2 % w.e.f. 01.01.2007 for the employees who were on service as on 01.01.2007 and retired thereafter or would be retiring subsequently, their pension will have to be got revised without much hurdle. Once the pension gets revised for those retired after 01.01.2007, their commutation of pension will also get revised and they will again get a commutation amount. Their other terminal benefits like gratuity and leave encashment also will be revised and they are to get arrears. As stated earlier, DoT has a say on the**

whole issue. However, BSNL, as per agreement, can continue to withhold their arrears on revised pay-fixation till it reviews the issue when its financial position improves.

(2) There is no mention in the agreement about the past pensioners' case also. The agreement is with BSNL which cannot give any assurance for the pensioners – specially the past pensioners. BSNL cannot and, in fact, has not given any assurance regarding the pension of even those pensioners who retired after January 2007. As has been explained in the earlier Para, the words in the Para 1 of the agreement that “This will be applicable for the Pensioners also” would mean only about the revision of pay w.e.f. 01.01.2007 with 78.2 % DA, date of actual payment and payment of arrears thereon and not revision of pension. We say that it is DoT which shall have to take the call on the issue of revision of pension, since it is responsible for payment of pension. That is why AIBSNLREA had some time back represented to the Petition Committee of Rajya Sabha to advise DoT to give the benefit of merger of 78.2% to the pensioners w.e.f. 1.1.2007 and revise their pension accordingly.

(3) Even among the pensioners – there are two categories viz. Pre-2007 and Post-2007 Pensioners retired/retiring before implementation of 78.2% pay fixation benefit. The pre-2007 pensioners will not get any arrears on account of pay-revision, except some arrears on account of revision of pension to be paid by DoT. Here DoT alone will have to act and order revision of pension - may be with cabinet approval. However, the post-2007 BSNL pensioners (retired/retiring before implementation of 78.2% pay fixation order when issued) will be eligible to get arrears on account of revision of pension including terminal benefits like gratuity, commutation. This is to be decided and paid by DoT. They will also get the arrears on account of differences in pay fixation w.e.f 1.1.2007 which is to be paid by BSNL. But as per agreement, BSNL may defer payment of arrears till it reconsiders the issue as and when its financial position improves.

(4) Dropping of the demand for restoration of medical re-imburement benefit without voucher for outdoor treatment is a serious blow to the pensioners – particularly those who needed this benefit most. This agreement has practically sent the case to the cold storage. All the efforts and actions of the pensioners' associations to get it restored have gone in vain.

(5) Any how, it will take some time to have a clear picture. Till that time let us keep our fingers crossed and intervene only when the situation so warrants to protect the interests of the pensioners.