



Editorial

EXTENSION OF THE BENEFIT OF MERGER OF 50% DA EFFECTIVELY AMOUNTING TO 78.2% DA - ROLE OF SCOVA

Ever since Department of Expenditure cleared the DoT's proposal on the issue of extending the benefit of merger of 50% DA w.e.f. 1.1.2007 effectively amounting to 78.2% for the purpose of fitment in respect of Pre-2007 BSNL pensioners/family pensioners retired prior to 01.01.2007 and Post-2007 BSNL pensioners/family pensioners retired during the period from 01.01.2007 to 09.06.2013 in October last, all were expecting that the Cabinet Note on the issue would be sent to the Cabinet with no time seeking for its approval. However, AIBSNLREA had other views. It had clearly stated that due to various administrative procedures and other formalities involved in the process of preparation and finalization of a Cabinet Note, it is unlikely that the issue would be settled so soon. We had even predicted that the matter may be settled during first quarter of 2015.

Many of us had even been expecting that SCOVA would get the issue settled since the issue is on its items of agenda. But we are to keep in mind that SCOVA is NOT a negotiation machinery. It is only a forum in which Government consults the various stakeholders to mobilize the voluntary efforts to supplement Government's efforts

for effective implementation of its various programmes for the pensioners.

In fact, "D/oP&PW has set up a Standing Committee Voluntary Agencies (SCOVA) 1986 as per the recommendations of Parliamentary Consultative Committee to mobilise the voluntary efforts to supplement the Government Action. It is a useful forum for holding consultation with the stakeholders, i.e., the pensioners through their Associations. It provides the Associations an opportunity for raising their problems directly before the concerned Ministries, as the officials of these Ministries are also present in the meeting. It also provides valuable feedback to the Government for effective implementation of the programmes and gives direction for the future course of action." Thus, we need not expect too much from the SCOVA. But certainly SCOVA is useful since the concerned Ministries and pensioners through their associations are able to exchange their points of views by sitting across the table and the status of the issues are known. The concerned Ministries, though always not promptly, are bound to come out with the progress made on the issues. Since they cannot duck these issues.

In our instant case, now that Department of Telecommunication is stated to have prepared the Cabinet Note and processing the same for approval of MOC&IT, before pushing it for approval of the Cabinet, we

can expect the matter to be resolved within the next few months. However, our action will not be over with the issue of the Order on the subject since it is not expected to address all the points that we had raised.



26TH MEETING OF SCOVA

Department of Pension & Pensioners' Welfare, vide its F.No. 42/39/2014-O&PW(G) dated 15.01.2015, has since circulated four fresh agenda items for discussion in the next (26th) meeting of SCOVA to be held on 3rd February 2015. These agenda items are : (1) Simultaneous issue of orders for release of Dearness Allowances, (2) Co-authorization of Family Pension of permanently disabled children/dependent parents and permanently disabled siblings, (3) Non-adherence of extant rules with regard to submission of life certificate, (4) Provision of CGHS facility for life time to dependent disabled/mentally retarded children of Central Government Employees/Pensioners. However, the Action Taken Report (ATR) on the agenda items which were discussed in the last meeting has not yet been circulated. The ATR would have given us an opportunity to know the latest official status of two important items pertaining to the absorbed BSNL Pensioners. These items are (1) Anomaly in the fixation of pension of DOT employees absorbed in BSNL who retired between 1.10.2000 and 31.07.2001 and (2) Merger of 78.2% IDA with basic pension benefit to the absorbed BSNL pensioners. However, the sources say that DOT has prepared a Cabinet Note on the later issue and seeking for its approval from MOC&IT.

FLASH NEWS

Department of Pension & Pensioners' Welfare has since issued the Action Taken Report on the items discussed in the 25th Meeting of SCOVA. This includes the status on (i) Anomaly in the fixation of pension of DOT employees absorbed in BSNL who retired between 1.10.2000 and 31.07.2001 and (ii) Merger of 78.2% IDA with basic pension benefit to the absorbed BSNL pensioners. For further details, posting dated 02.02.2015 in this website be viewed.

AIBSNLREA'S MEMORANDUM ON INCOME TAX RELIEF

AIBSNLREA has taken up the issue of raising the personal income tax limits for the General Public and the pensioners with Union Finance Minister. It may be recalled that in the last Financial Year, AIBSNLREA had similarly submitted a memorandum and the limits were also marginally increased. Last year, the Government had little time to prepare and present the budget immediately after the LS Election was held. Now that the Government has got some time to look into the issues, expectation of the people is quite high. AIBSNLREA's present Memorandum, therefore, is similar to its earlier one with some modifications. Same is reproduced below:

ALL INDIA BHARAT SANCHAR NIGAM LTD RETIRED EXECUTIVES' ASSOCIATION Central Headquarters New Delhi

No. AIBSNLREA/CHQ/2015/02

Dated: January 14, 2015

To

Shri Arun Jaitley,
Finance Minister of India,
Government of India,
New Delhi 110 001

Subject: Request to consider changes in the existing personal Income tax relief granted to the common citizens/Senior Citizens in the ensuing General Budget 2015-16

Hon'ble Sir,

Our Association represents the retired Executives (pensioners) of Bharat Sanchar Nigam Limited who had served in Department of Telecommunications before their absorption in this newly created CPSE. They draw their pension from the Government under Rule 37-A of CCS (Pension) Rules 1972. They encounter similar problems as faced by other individual tax payers in general and the senior citizens (pensioners) of the country in particular. Hence, we take this opportunity to present a brief memorandum, enclosed herewith, expressing our views on taxation on personal income in respect of general public (below 60 years of age) and also of senior citizens (above 60 years of age) of the country for inclusion in General Budget 2015-16.

2. Our submission is in line with BJP's Election Manifesto 2014 released during last Lok Sabha election **which assured for providing a non-adversarial and conducive tax environment and rationalized and simplified tax regime.** With respect to Senior Citizens, **the BJP Manifesto 2014 has also clearly focused on taking care of Senior citizens by proposing to explore ideas like additional tax benefits and higher interest rates.**

3. We, therefore, earnestly urge upon you to kindly consider our submissions and extend the much needed relief to the individual income tax payers in general and the senior citizens in particular while drawing the Union Budget for the year 2015-16.

With kind regards,

Yours sincerely,

(S Basu)
General Secretary

Encl: As stated

Copy to:

Shri Narendra Modi, ... With earnest request to
Hon'ble Prime Minister of India. kindly consider our submissions.

PROPOSALS FOR INCOME TAX RELIEF IN UNION BUDGET 2015

Submitted by

**All India Bharat Sanchar Nigam Limited Retired Executives' Association
New Delhi 110075**

GENERAL PUBLIC (Below 60 Years of age):

Individual Income Limit for Taxation (General) :

The present basic exemption limit of Rs 2.50 lakhs (for those below 60 years of age) is inadequate. This may be raised to Rs 5 lakhs.

Common Exemptions limit:

At present, deductions from Tax for savings under various Sections 80 C, 80 CCF , 80 D, Interest on House loan, Payment of principal on home loan etc. are allowed with some caps under each of these heads. All these Sections have separate caps and the permissible deductions total to Rs 3 lakhs only. In the ensuing budget, the total deductions of rupees 3 lakhs may be increased to Rs 5 lakhs and be allowed without any separate cap for each section. This will benefit in nation building since a person who would not like to or have the necessity to purchase or a build house for himself may invest in other instruments like NSCs, Govt. bonds, infrastructure Bonds etc to avail the tax rebate whereas his individual investment can be used for nation building. Instead of spending money in unproductive items and thereby causing inflation, the money can be pooled for use in National development where it will be a win - win situation.

The above would also be line with the “BJP’s LS Manifesto 2014” of providing a non-adversarial and conducive tax environment and rationalized and simplified tax regime.

Taxation of Medical Benefit:

In the case of employees the medical benefit received from the employers is taxable with a threshold of Rs.15,000/-. This threshold was fixed some seventeen years back in the Financial year 1998-99. Now that the medical expenses have gone very high over the years, this limit may please be increased at least to Rs.50,000/- for the individuals.

SENIOR CITIZENS (Above 60 years of age)

With respect to Senior Citizens, the “BJP’s LS Manifesto 2014” has clearly focused on taking care of Senior citizens by proposing to explore ideas like additional tax benefits and higher interest rates. On these lines the following may kindly be considered.

Individual Income Limit for taxation:

The basic exemption limit for senior citizen above 60 years may be increased from the present Rs 3 lakhs to Rs. 6 lakhs since the present limit is inadequate.

Senior Citizen’s Savings Scheme:

The Senior Citizens’ Savings Scheme in Post Offices was introduced during the earlier BJP rule under Shri Atal Bihari Vajpayee so that the senior citizens who make their living by the interest earned from their accumulated savings or terminal benefits during their life time are not put to hardship by reduction of bank interest rates. This provided an interest rate of 9 % p.a. Subsequently banks have increased their deposit rates and is currently offer at 9.5 %. Hence the Senior Citizens’ Scheme may be improved as under:

- (i) Increasing the maximum ceiling on deposit from Rs 15 lakhs to Rs 30 lakhs.
- (ii) Increase the interest rate from 9 % to 10 %
- (iii) The interest received from senior citizens Scheme should be tax free.

Rate of Interest at Bank deposits :

Banks provide an additional interest rate of 0.5 % on the deposit of senior citizens. With the escalation in cost of living, the senior citizens who are not in any gainful employment find it very much difficult to meet their livelihood. Hence the banks may be asked to provide an additional interest of 1 % above the basic rates on the deposits by the Senior citizens.

Exemption for the medical benefits received by the Senior Citizens

A pensioner gets his pension in the evening of his life. His pension is already half of the pay being drawn by him. But his expenditure does not reduce in anyway. Since he is above 60 years in age, a host of diseases attack him and he has to spend a lot for his medicines. Many senior citizens suffer from perennial diseases like diabetes, Hyper tension, heart, kidney ailments for which they have to constantly take medical treatment which need not be necessarily be as an in-patient, but the expenditure many a times far exceed the actual medical benefit being given by the Government Departments/some PSUs. So to levy tax on his medical benefit which is not an income for him in reality is causing great hardship to the senior citizens and it is a double jeopardy for a person ailing at old age. Extending medical benefit is a social security. The BJP's 2014 LS Manifesto has correctly aimed at to reduce the out of pocket spending on health care. Hence the medical allowance or reimbursement provided by the past employer to the pensioners who are senior citizens should be tax free when they are not in any gainful employment.

Exemption on Pension:

Pension received from his past employer is treated as salary and is taxable. A pensioner who retires on superannuation is over 60 years in age and hence called as a senior citizen. He has to meet his expenses only from the pension that he receives as in most of the cases he does not have any employment opportunity at this age or any additional income. The pensioners of today are those who entered service in the early days of free India. They contributed their youth to the nation building in their own sphere when the salary was too meager as compared to today and even in that salary they would have paid income Tax over their entire service since the exemption limits were also very low and with higher taxation slabs and the Tax being deducted at source. Now at the evening of their life they are receiving their pension just to make out a living when they have no more capability to work. Now, it is for the nation to take care of them. The nation pays old age pension for the elderly citizens who do not have any source of income. The pensioners receive pension for their past employment. As they had paid a good amount as tax while they were in service, the pension now being drawn by them should be treated as a social security.

When a person is in employment the local bodies like Municipal Corporation levy professional tax which is based on his salary. But when a person retires and receives pension, professional tax is not levied on him. Very like that the pension received by the senior citizens should not be treated as salary and be totally exempt from Income Tax.

The amount so collected as Income Tax out of the pension of the senior citizens may be very small. But it makes the senior citizen to file a tax return at the old age. The number of returns will

be large and this would increase the workload of the Income Tax department whereas the tax collected would be small when the pensioner is not in any gainful employment.

So if a pensioner is not in gainful employment, the pension received by him should be tax free.

GOVERNMENT/BSNL ORDERS

BSNL REVISES THE RATES FOR STAY IN BSNL INSPECTION QUARTERS: BSNL, vide its No. 18-1/2014-BSNL(WL) dated 23.01.2015, has revised the rates for staying in BSNL Inspection quarters for all including the retired Officers of BSNL. Hence forth the retired BSNL Officers will be charged at the rate of Rs 150/- per day for stay in BSNL IQs in A and A-1 cities. The charges for them in B, B-2 and Other cities are Rs. 75/- per day. The revised rates are applicable w.e.f. 23rd January 2015. *To read the Order, posting dated 25.01.2015 in this website may be viewed.*

ELIGIBILITY OF DISABLED CHILDREN FOR FAMILY PENSION AFTER MARRIAGE AND ELIGIBILITY FOR TWO FAMILY PENSIONS - CLARIFICATION: BSNL has circulated for information and necessary action, a DoP&PW letter dated 16.1.2013 clarifying that disabled children are eligible for family pension after marriage and allowing grant of family pension to a military pensioner after his re-employment in a civil service or civil post and grant of two family pensions to a person who is already in receipt of a family pension under any other rules of the Central Government or State Government and/or a Public Sector Undertaking/Autonomous Body/Local fund under the Central or State Government. *To read the Order, posting dated 13.01.2015 in this website may be viewed.*

REVISION OF IDA W.E.F. 1.1.2015: Department of Public Enterprises, Government of India has issued orders revising IDA w.e.f 1.1.2015 from 98.1% to 100.3% for CPSEs where last pay revision was implemented w.e.f. 1.1.2007. It has also issued orders revising IDA w.e.f 1.1.2015 from 234.5% to 238% for CPSEs where last pay revision was implemented w.e.f. 1.1.1997. *To read the Orders, postings dated 07.01.2015 in this website may be viewed.*

ISSUES TAKEN UP BY AIBSNLREA

ABNORMAL DELAY IN PROCESSING THE CASE TO PREPARE THE CABINET NOTE IN REGARD TO THE LONG PENDING ISSUE OF EXTENSION OF BENEFIT OF MERGER OF 78.2% IDA WITH BASIC PENSION TO THE ABSORBED BSNL PENSIONERS – AIBSNLREA WRITES TO THE SECRETARY (T) SEEKING FOR HIS INTERVENTION TO EXPEDITE THE ISSUE: Since the Department of Telecommunication is yet to finalize the Cabinet Note on the above issue and send the same to the Cabinet Secretariat seeking approval of Cabinet, AIBSNLREA has written to the Secretary(T) requesting for his intervention to expedite the matter. *To read the letter, posting dated 05.01.2015 in this website may be viewed.*

BRANCHES IN ACTION

BI-MONTHLY MEETING OF AIBSNLREA AMARAVATI BRANCH: Bi-monthly meeting of AIBSNLREA Amaravati branch was held on 18th January 2015 in the Conference Hall of O/o GMT Amaravati. Secretary welcomed all the members. All members were eager to know the status of pension revision due to merger of 50% DA effectively amounting to 78.2%. Secretary conveyed that the case is still pending in DOT as draft cabinet note has to be circulated among different ministries before submission for cabinet approval. Regarding reimbursement of medical expenses for outdoor treatment, bills pertaining to Maharashtra circle are being paid but those pertaining to WTR and WTP are still pending. Secretary along with two members has met DGM(Finance) twice and raised this issue. DGM (F) has assured to look into the issue. Secretary informed members that from February 2015 onwards BSNL will not issue land line/broad band bills to working and retired BSNL employees to encourage "Green Movement". Members may pay bills through net-banking or opt for ECS facility. Secretary also suggested that the members draw pension through joint account. The meeting felicitated four new members who have enrolled as life members. Meeting ended with vote of thanks.

QUARTERLY GENERAL BODY MEETING OF KOLHAPUR BRANCH: Quarterly meeting of Kolhapur Branch was held on 4th January 2015 in Telephone Bhavan Conference Hall under the President ship of Shri L M Godi, President. 58 members including 2 new members participated in the meeting. President wished all members a "Happy New Year 2015" and appreciated the enthusiasm of members in attending meetings and the Branch becoming more and more active. Then Shri D.K.Joshi, Secretary spoke on the "Pensioners Day on 17th December" being observed and mentioned about two Pensioners Com. D S Nakara and Satyapal Singh who were instrumental in obtaining Supreme Court's landmark Judgment in 1982 providing dearness relief to the pensioners. Then he informed the house about the latest developments and status in respect of the issues of revision of Pension with merger of 78.2% IDA for both pre & post 2007 BSNL Pensioners. He explained the continuous efforts by our GS, taking up the issue with PMO, MoC and others. He spoke about constitution of 3rd Pay revision committee, proposal of Digital Life Certificate based on Aadhar Card, expectations from the 26th SCOVA meeting to be held in February, increase in Medical Allowance to CG Employees from 300/- to 500/- per month and other issues pertaining to pensioners. Then Dr. Amith Sukre delivered a guest lecture on "Aurvedaachaarya" Sangli and gave useful information on "Spiritual Healing based on Adhyaatma & Science". Then President of the Local Sr. Citizens' Association Shri Chavan gave a valuable lecture on the Health and Social Service. Both the Guests were honored with bouquet & memento. The meeting concluded with vote of thanks by Shri SG Kanade.

BI-ANNUAL GENERAL BODY MEETING OF AIBSNLREA. EAST VIDARBHA (NAGPUR BRANCH): Bi-annual meeting of AIBSNLREA Nagpur was held on 11th January,2015 at Amenity Block,CTO Compound Nagpur under the Chairmanship of Shri N G Talewar President of the Branch. After paying tributes to the departed family members, Shri U B Nikose Vice President welcomed all members in the first meeting in the New year 2015. Shri N G Talewar briefed the house regarding the efforts being taken by CHQ to meet the expectation of the BSNL pensioners. Shri P R Bhujbal Branch Secretary highlighted the status of long pending issues, and other important issues being taken up by CHQ. Various correspondences made by CHQ

over the inordinate delay in allowing the benefit of 78.2% IDA merger with basic pay as on 1-1-2007 to the BSNL pensioners retired during 1-10-2000 to 9-6-2013 were briefed to the house. Other issues viz. unending delay in settlement of pending disciplinary/vigilance cases against the pensioners, ensuring timely and expeditious settlement of the pension cases of the BSNL retirees, Pension liability in r/o the DOT employees retired prior to 1-10-2000 in CDA scale, Memorandum on pensionary benefits and related issues submitted by CHQ to 7th CPC, Income Tax exemptions in union budget 2014-15 and Aadhaar based digital life certificate for the pensioners were fully explained to the members. Meeting was attended by members in large numbers. Twelve BSNL retired executives joined the association and enrolled as life members of AIBSNLREA. House congratulated all the newly enrolled life members. Meeting concluded with vote of thanks by Shri N R Rachkondawar Asst Secretary. Shri U B Nikose, Shri Arun Deshpande and Shri Bhola Kamble took efforts for the grand success of the meeting.

GUJARAT STATE BRANCH OF AIBSNLREA REGISTERS 700 LIFE MEMBERSHIP, MAHARASHTRA STATE BRANCH CROSSES 600 MARK

Gujarat State Branch of AIBSNLREA has recorded exactly 700 life membership strength and thus became the first State Branch to reach 700 mark. On the other hand, Maharashtra State Branch has now registered 610 Life Membership strength.

STATEMENT OF PAYMENTS RECEIVED BY CHQ DURING JANUARY 2015

Erode Branch (Tamilnadu State) of AIBSNLREA has deposited Rupees One thousand eight hundred (Rs 1800/-) only in the CHQ's S/B Account with Karur Vyasya Bank on 27.01.2015 as quota for 9 Life Members.

East Vidarbha (Nagpur) Branch (Maharashtra State) of AIBSNLREA has deposited Rupees two thousand four hundred (Rs 2400/-) only in the CHQ's S/B Account with Syndicate Bank on 16.01.2015 as quota for 12 new Life Members.

Gujarat State Branch of AIBSNLREA has sent a Cheque drawn on State Bank of India for Rupees twenty thousand (Rs 20,000) only towards CHQ quota for 100 additional Life Members. The cheque has since been credited in CHQ's S/B Account with Syndicate Bank on 17.01.2015

Edited and published by Shri S Basu, General Secretary, AIBSNLREA