



Editorial

DOT'S PROPOSAL FOR REVISION OF PENSION/FAMILY PENSION OF PRE-2007 AND POST 2007 BSNL PENSIONERS

As we all know now that the Department of Telecommunications, vide its OM No 40-13/2013-Pen(T) dated 11.07.2014, has finally sent a reply to the queries raised by Department of Expenditure (Ministry of Finance) vide their OM No. 144/EV/2014 dated 11th March 2014 on DOT's proposal for revision of pension/family pension of pre-2007 and post 2007 BSNL pensioners who retired between 1.1.2007 and 9.6.2007 by allowing the benefit of merger of 50% DA effectively amounting to 78.2%. A close scrutiny of the reply from DOT clearly reveals that they have treated the case for revision of pension of pre-2007 BSNL pensioners/family pensioners as separate from that of the case of the BSNL pensioners/family pensioners who retired between 1.1.2007 and 9.06.2013.

This is exactly in the tune with the stand that this Association took from the very beginning and was vigorously pursuing ever since the Presidential Directive dated 10.06.2013 was issued for allowing the benefit of merger of 50% DA effectively amounting to 78.2% in the revised IDA scales to the BSNL employees. AIBSNLREA held the view that in the case of the pre-2007 pensioners, who were not the recipient of benefit of revised pay scale w.e.f. 1.1.2007, their pension only has to be

re-fixed with effective merger of 78.2% DA w.e.f. 1.1.2007. The Association also took the firm stand that in case of those who received the benefit of revised IDA pay scale with benefit of effective merger of 68.8% DA w.e.f 1.1.2007 and retired between 1.1.2007 and 9.6.20013, their pay has first to be re-fixed in revised IDA pay scale with benefit of merger of 78.2% DA and thereafter their pension is to be revised based on their revised last pay drawn. The DOT's reply to DOE at least vindicates the stand taken by AIBSNLREA. Unfortunately, a few pensioners' associations have expressed their reservation on this stand of DOT and even lodged their protest. One of the Associations even has written a letter to MOC protesting against this approach of DOT. But the fact remains that so far as settlement of revision of pension with benefit of effective merger of 78.2% DA is concerned, the DOT has taken the correct stand by treating the cases of the pre-2007 and post-2007 pensioners as different and distinct.

A point has also been raised by many why the case for pre-2007 pensioners needs cabinet approval and not the case for those who retired between 1.1.2007 and 6.9.2013 as proposed by Department of Telecommunication. **[contd in next page]**

AIBSNLREA did report long back that the Department of Telecommunication had recorded in file that the case for pre-2007 pensioners will be required to be taken up with cabinet for approval (Refer posting dated 09.09.2013 in this website). This was, in fact proposed by Member (Services) and agreed to by Member (Finance) and others in file. But AIBSNLREA was of the view and still believes that since Cabinet had given approval for applying the same fitment formula for revision of pension of pre-2007 pensioners/family pensioners that was applied for fixation of pay of the serving BSNL employees on 1.1.2007, there is no further need now for another cabinet approval for this. Because in this case also same fitment formula with effective merger of 78.2% DA in place of 68.8% DA, as already ordered for serving employees, is to be allowed for the pensioners. As regards the cases of the post 2007 retirees are concerned, since their pension will have to be re-fixed based on their last revised pay drawn with the fitment benefit of merger of 78.2% DA, the existing provisions for fixation of pension under CCS (Pension) Rules 1972 are sufficient to revise their pension without referring the matter to any agency including cabinet for approval.

But by proposing to calculate pensionary benefits of the employees who retired between 1.1.2007 and 9.6.2013 on the basis

of stated “notional” pay fixation order, DOT is clandestinely trying to get the seal of approval of even Ministry of Finance to call the pay-fixation Order with benefit of effective merger of 78.2% DA as NOTIONAL. This is with the sole intention to try to permanently close the case for payment of arrears of pay to the serving employees for the period between 1.1.2007 to 9.6.2013. Once DOT issues the order on the subject and details are known, AIBSNLREA will approach the appropriate forum to get the issue sorted out.

It will be unjust and improper at this stage to comment on what would be the response of Department of Expenditure to the reply sent by DOT now. In case DOE accepts DOT’s clarifications and clears the proposal, in all likelihood Orders will first be issued in respect of post 2007 retirees only. The pre-2007 BSNL pensioners may have to wait for few more months till cabinet approval is available. The cabinet note could be prepared only after DOE’s approval to the proposal is received and it may not take much time to prepare the same, since the views of DOP&PW is already available with DOT and DOE’s view will also be known shortly. But all depends on how DOE reacts to DOT’s clarifications and the proposal gets the final shape. Till then all will have to keep their fingers crossed.

EAST VIDARBHA BRANCH, NAGPUR OF AIBSNLREA CROSSES 300 LIFE MEMBERSHIP – HIGHEST AMONG ALL THE BRANCHES OF AIBSNLREA

East Vidarbha Branch, Nagpur of Maharashtra State has registered 304 Life Membership as on 06.07.2014. This is the highest life membership strength by a single Branch among all the individual Branches of AIBSNLREA in the country. Congratulations to the Branch!

DOT'S REPLY TO DOE REGARDING 78.2% FITMENT BENEFIT TO PENSIONERS

No 40-13/2013-Pen (T)
Government of India
Department of Telecommunications
(Pension Section)

New Delhi, dated the 11th July 2014

OFFICE MEMORANDUM

Subject: Revision of pension/family pension of Pre- 2007 retirees BSNL IDA pensioners/family pensioners who retired prior to 01.01.07 and Post 2007 BSNL IDA pensioners who retired between 01.01.07 and 09.06.13 by allowing the benefit the merger of 50% DA/DR effectively amounting to 78.2%.

The undersigned is directed to refer to Department of Expenditure's O.M No 144/EV/2014 dated 11th march 2014 on the above subject.

2. In this context, the point wise information/clarification is furnished as under:

(i) Approval of cabinet, for revision of pension with enhanced DR @78.2%.

Presidential orders dated 27-02-2009 (Annexure 'A') issued by Department of Telecom as well as partial modification thereof dated 10-06-2013 (Annexure 'B') are based on DPE orders which are very specific & global { OM No 2(70)/08-DPE (WC)-GL XVI/08 dated 26-11-2008 & OM No 2(70)/08-DPE (WC)-GL XVI/09 dated 02-04-2009 (Annexure "C" & "D")}. These orders are applicable in respect of pay of employees of PSUs who were on roll on or after 01-01-2007 subject to certain conditions. Consequent upon implementation of these orders in respect of pay of serving employees as on 01.01.07, pensionary benefits of employees retired /expired after 01-01-2007 were also calculated on the basis of revised pay without specific reference/approval from the cabinet. In view of this, department is of the view that pay revision allowed in accordance with partial modification of Presidential orders should be the criteria for revision of pension etc without reference to the cabinet. However, in case of revision of benefits of pre 01.01.07 pensioners/ family pensioners by giving effect of 50% IDA merger, specific approval of the cabinet would be required.

(ii) Annual Pension liability of the Government

Requisite inputs in respect of revenue receipts as well as the pension paid for the financial years 2001-02 to 2012-13 are enclosed at Annexure-1. As per Cabinet decision on the subject, pension liability of the Government in respect of employees of DOT/DTS/DTO who retired prior to 1.10.2000 and those who have worked / are working in BSNL on deemed deputation and for those who are absorbed in BSNL shall not exceed 60% of the annual receipt of the Government from the following items:-

- Dividend from BSNL/MTNL
- License fee from BSNL/MTNL and
- Corporate tax/excise duty/service tax paid by BSNL

It was also decided that any amount exceeding these items shall be borne by BSNL. As per inputs, pension paid by the government from 1.10.2000 to 31.03.2010 was less than the 60% of revenue receipt under specified heads. However, the same was reversed from the year 2011-12 onwards due to reduction in revenue receipt and increase in pension liability. It is pertinent to mention that 60% cumulative receipt of revenue under specified heads is still higher than the total pension paid by the government upto 31-03-13. Government is discharging its pension liabilities on account of the following heads:-

- (a) CDA pension in respect of employees retired after 1.10.2000
- (b) New Pension scheme
- (c) misc. pension contributions/VSNL pension etc.
- (d) Pro rata pension of MTNL
- (e) Regular pension to MTNL employees (Recently approved by the Cabinet)
- (f) CDA pension in respect of employees retired prior to 1.10.2000
- (g) IDA pension in respect of BSNL employees-retired after 1-10-2000.

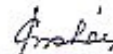
Out of above, liabilities of BSNL is limited to item numbers (f) & (g) only i.e. CDA pension in respect of employees retired prior to 1.10.2000 and IDA pension in respect of BSNL employees retired after 1-10-2000. Expenditure on remaining type of pension (item no (a) to (e)) is required to be borne by the Government. Presently detail classification is not available. As such, matter is under analysis.

(iii) Precedents

As desired by MOF, the following instances are brought to the notice of Department of Expenditure;

- (a) Department of Food & Agriculture was converted to FCI as a PSU. The Government employees who worked under the department of Food & Agriculture were en-masse transferred to FCI. They were also paid pension including family pension in IDA pattern by the Government on combined service. Department of Food & Public Distribution issued order on 31.05.05 for "Revision of IDA Scales of pay for the employees of the Food Corporation of India w.e.f 1.1.97". Para 7 of the said order deals with "Pension for those retiring within 10 months of their coming over to revised pay scale. The benefit of notional conversion of pre-revised pay to revised pay in IDA scales was allowed based on the formula/guidelines of 5th CPC recommendations.
- (b) Central Government pensioners who retired between 1.1.96 to 30.09.96 faced such a pension anomaly after implementation of 5th CPC recommendations, because the average pay was worked out taking into account a part from pre-revised pay and apart from revised pay. To rectify this anomaly DOP&PW issued O.M No 45/86/97-P7PW(A)-part I dated 18.10.99. As per this order, the pre-revised pay was notionally converted to revised pay and the anomaly got resolved.
- (c) In addition to above, notional upgradation of pay w.e.f 01.01.96 extended to the pensioners who retired from organized Accounts cadre was also treated as pay for revision of pension benefits as a special case vide Deptt of P & PW OM No 38/86/03-P&PW(A) dated the 5th November 2008.

3. In view of above, Department of Telecom may be allowed to calculate pensionary benefits of employees retired between 01-01-2007 to 09-06-2013 on the basis of notional pay fixation in relaxation of Rule 33 & 34 of CCS [Pension] Rules, 1972. DOP & PW has already conveyed their no objection to the proposal. Since proposal for revision of pensionary benefits of pre-2007 retirees requires approval of the Cabinet, their case shall be dealt separately.



(K S Dahiya)

Under Secretary to the Govt of India

To,

Shri Biplab Kumar Roy,
Under Secretary, DOE,
North Block, New Delhi

AIBSNLREA SUBMITS ITS MEMORANDUM TO VII CPC ON PENSION RELATED ISSUES

MEMORANDUM TO HON'BLE SEVENTH CENTRAL PAY COMMISSION ON PENSION MATTERS

Submitted by

**All India Bharat Sanchar Nigam Limited Retired Executives' Association
Central Headquarters, New Delhi**

Introduction:

"All India Bharat Sanchar Nigam Limited Retired Executives' Association" represents the pensioners originally recruited by Department of Telecommunications in the Officers grades who subsequently got absorbed in Bharat Sanchar Nigam Limited after its formation and thereafter retired from the various Executive grades in BSNL. The branches of the Association are spread all over India. We are also covered under Central Civil Services Pension Rules like all other Central Government Employees and our pension is being paid by the Government of India. We now submit herewith our memoranda to the Honorable Seventh Central Pay Commission on pension related issues which are of concern to us as we are also a stakeholder in this vital issue.

Bharat Sanchar Nigam Limited, a Central Public Sector Enterprise, was formed on 01-10-2000 by carving out from Department of Telecommunication, a Central Government Department. The erstwhile employees of Department of Telecommunication were given an option to get absorbed in Bharat Sanchar Nigam Limited as per Rule 37 A of CCS (Pension) Rules 1972. The Pension is being paid by the Department of Telecommunications, Government of India from Consolidated funds of India vide Rule 37 A of CCS (Pension) Rules 1972. The CCS (Pension) Rules 1972 apply in all matters in respect of fixation of pension, payment of pension and terminal benefits etc, to all the absorbed employees in Bharat Sanchar Nigam Limited, i.e., those who had served in the Department of Telecommunication upto 30/09/2000 and got absorbed in Bharat Sanchar Nigam Limited. Since we are also covered by the recommendations of the Central Pay Commissions, as far as the issues of pension and terminal benefits are concerned, we herewith submit our memorandum to the Honorable Seventh Central Pay Commission for consideration. We request that the issues brought forth here may kindly be viewed sympathetically by of the Honorable Chairman and members of the Seventh Central Pay Commission and the Honorable Commission may give favorable recommendations on these issues:

ISSUE NO. 1: GRATUITY:

The Retirement Gratuity is calculated as 0.25 times of Pay+DA for every completed six months' of service with a maximum of 16.5 times of Pay+DA. This is now restricted to a maximum limit of Rs. 10 lakhs.

The Hon'ble Sixth Central Pay Commission had opined that the limit of gratuity should be such that all employees barring those in top grades are able to get full benefit of gratuity payable as per the given formula. Keeping this in view, it is the Hon'ble Sixth Central Pay Commission which had recommended the ceiling of gratuity as Rupees ten lakhs only.

To maintain the same position of full benefit in respect of the grades that were given full benefit as on 2006, it is requested to consider to raise the present ceiling limit of gratuity to Rupees 30 lakhs. During the interim period of the next CPC due to increase in DA, the grades which got full benefit as on the year of implementation of CPC, do not get full benefit after few years. Hence to maintain the same position, it is requested that Hon'ble Seventh CPC may also kindly recommend for a periodical review of the ceiling of gratuity at least once in five years.

ISSUE NO. 2: RESTORATION OF COMMUTATION:

The Sixth Central Pay Commission had stated that the commutation factor arrived at by it was based on market interest of 8 % p.a. and also the mortality rate.

The Hon'ble Supreme Court, on the other hand, in its judgment passed in December, 1986 in Writ Petitions No. 3958-61 of 1983 had directed restoration of the commuted value of pension once the commutation amount along with the interest element thereon was recovered fully. The said judgment of Hon'ble Supreme Court was also referred to by Sixth Central Pay Commission itself in its report.

An analysis and methodology for application of interest is placed below. It can be seen that as per the method the principal with 8 % interest gets fully recovered in less than 12 years. As such, it is requested that the commutation may be restored in 10 years.

Methodology of calculation of Interest and repayment

(i) Calculation of Interest

While calculating the interest and method of repayment, following two procedures are

being followed. The **first procedure** is that the monthly interest gets first charge on the repayment. On the monthly repayment, the interest is taken first and the balance is reduced in principal. The next month's interest is based on the reduced principal. This procedure is followed by the Banks or the Financial Institutions when they give loans to public.

The **second procedure** is that the principle gets first charge on the repayment. On the monthly repayment, the principle is taken first. The interest of next month is based on reduced principal. This goes on till the principal is fully cleared. The monthly interest accrued for all the months is totaled and this is repaid in further monthly repayment till it gets fully recovered. This procedure is followed when Government gives House Building Advance to its own employees.

Since the commutation amount is considered as a loan with interest and is given by the Government to its employees only when they are to retire, it would be appropriate that the second procedure is applied as the methodology for calculation of Interest and repayment.

(ii) **Rate of Interest :**

The banks or financial institutions charge interests at a lesser rate than the prevailing market rate when the loans are given by them to their own employees/ pensioners. As such the Government should also charge a lesser rate of interest than the market rate since the commutation amount is given to its own retiring employees who had served the Government all through their life and it should not act as a strict money lender to its own retiring employees at their advanced age.

We have attached herewith a worksheet based on the above for repayment of the commutation amount with 8 % interest, of course without applying the mortality rate. The sheet is attached herewith as **Annexure-I.**

It can be seen that while the procedure of interest first is followed the principal and interest at 8 % interest is fully repaid at 160 months (i.e., 13 years and 4 months). When the procedure of principal first is followed, the principal and interest at 8 % interest is fully repaid in 131 months (i.e., 10 years and 11 months).

Thus, even by not taking into account the mortality rate, the commutation amount gets fully cleared at less than 11 years when interest is charged @ 8 % by applying the

procedure for reducing the principal first - similar to the procedure being followed by the Government when it grants House Building Advance to its employees.

Further, the Government should not apply market rate of interest on the commutation amount paid to its past employees. In the same manner as the Banks give loans to its employees/pensioners at a lower rate of interest in place of the normal rates of interests charged from the public, the Government should also charge only a lower rate of interest and NOT on market rate of interest. Considering the above and applying a lower rate of interest than the market rate, it is conceivable that the commutation amount would get fully repaid in 10 years.

(iii) **The mortality rate:**

The mortality rate should not be applied for the restoration. It is true that application of mortality rate was done in 1971 when the earlier commutation table was made. But during the period from 1971 till now, the Government has liberalized many issues for the benefit of pensioners. The family pension given on the death of the pensioners have also been liberalized during the past two CPCs.

Further, even in cases when a pensioner dies before his commutation amount is fully cleared, it does not mean that the Government is at a loss. After all from the very next day of the pensioner's unfortunate demise, the pension is going to stop. Even if there is a family pensioner alive to receive the family pension (the family pension being 30 % of last pay as against the pension being 50 % last pay) would be just 60% of the pension being given till the earlier day. Therefore, the issue here is not like a financial institution granting loan to public. The Government, with a human approach and sympathy to the pensioners, should not apply the mortality rate for the restoration of commutation amount. As such, we request that the commutation be restored at ten years.

ISSUE NO. 3: ADDITIONAL PENSION FOR OLD AGE PENSIONERS:

The Sixth Central Pay Commission had recommended additional pension for old pensioners and the same was accepted by the Government and implemented w.e.f. 01-01-2006 as under:-

80 years - 20% of basic pension
85 years - 30% of basic pension
90 years - 40% of basic pension
95 years - 50% of basic pension
100 years - 100% of basic pension

Though this was a great solace to old age pensioners, in reality the benefit does not reach the needy in time as expected. Though the life span of Indians have increased during last decade. As per the statistics, less than 12 % cross 70 years of age and those who cross 80 years of age is just 4.5 %. Further, these senior citizens spend the last decade of their life in poor health conditions and great pains. As the joint family concept is no more in vogue, the old age pensioners live in isolation and have to take the help of others for nursing them obviously on payment basis which also eats their meager pension.

Hence it is highly just and reasonable to extend the benefit of additional pension at the age of 70 years itself instead of present 80 years, so that it may partly mitigate the sufferings of those at the last decade of their earthly life who may not live to get the additional pension at 80 years of age.

It is also requested that an additional pension of 20 % be paid when the pensioner/family pensioner reaches 70 years of age. A further 10 % may be added uniformly at every 5 years up to 95 years so that the additional pension at the age of 95 years would be 70 %. Further, just the handful of pensioners, who are fortunate enough to cross 100 years, may be allowed 100 % additional pension as at present. With this, the increase in pension due to additional pension to be paid would also be uniform over all the specified periods.

As such, we request that the additional pension for age old pensioners may be recommended as below:

70 years	- 20% of basic pension
75 years	- 30% of basic pension
80 years	-40% of basic pension
85 years	- 50% of basic pension
90 years	- 60% of basic pension
95 years	- 70% of basic pension
100 years	- 100% of basic pension

ISSUE NO. 4: ENHANCED FAMILY PENSION:

At present the enhanced family pension on the death of a pensioner is 50 % of last pay drawn by the deceased government servant and the amount so admissible would be available for a period of 7 years or till the date the pensioner would have attained the age of 67 years whichever is earlier. It is requested that Seventh Central Pay Commission may increase this to 10 years or till the date the pensioner would have attained the age of 70 years whichever is earlier.

The enhanced family pension in case of death in harness of a Government servant is 50 % of the pay last drawn and the amount so admissible would be available for a period of 10 years. There is no restriction with reference to the age of the government servant dying in harness. Since when a government servant dies in harness, his family suddenly finds itself in darkness due to the loss of its breadwinner. It would take quite some time for the family to restore itself back. So it is requested that the enhanced family pension in case of death of a Government servant in harness may kindly be increased to 15 years without any restriction on the age limit.

OTHER ISSUES OF IMPORTANCE:

1. GRIEVANCE REDRESSAL MECHANISMS

At present, a few Grievance redressal mechanisms for the pensioners, as briefed below, are available, but these are not as effective and decisive as they should have been due to various reasons:

(a) GRIEVANCE REDRESSAL MECHANISM IN CASE OF PENSIONERS:

Normally, the grievances received by the Department of Pension & Pensioners Welfare (DoP&PW) from the individual pensioners and the pensioners' Associations are forwarded by DoP&PW to the respective Department to examine and settle the same as per extant rule with intimation to the concerned petitioner. As per DoP&PW instructions, the Department has to first send an acknowledgement to the concerned petitioner. But this is not followed by most of the Departments - specially the Department of Telecommunications. DoP&PW also does not monitor and follow up these cases. Thus, in most of the cases the grievances of the aggrieved pensioners remain unsettled.

Since the Department of Pension & Pensioners' Welfare is the ultimate authority on pension related issues and also since pensioners' associations are also not recognized, it is requested that strict compliance of the DOP&PW's instructions on the subject may kindly be ensured and DOP&PW is also made responsible for settlement of the grievances in a time bound manner. It must monitor the disposal of the grievance petitions sent by it to the concerned Departments.

(b) STANDING COMMITTEE OF VOLUNTARY AGENCIES (SCOVA):

The forum of SCOVA (Standing Committee of Voluntary Agencies) is facilitated by the Central Government for interaction with the Pensioners' Associations for discussing the

grievances of pensioners of all Departments. At present the SCOVA has a few pensioners' associations as a 'Standing group' and a few other pensioners' associations as 'Rotating group'. There are several hundred thousand pensioners' Association in India. We appreciate that it is not possible for the Government to allow all such associations to participate in the SCOVA meeting. Moreover, as the pensioners are not the employees, there cannot be any recognition rules or channel of communications for their associations. Therefore, it is suggested that DOP&PW should accept new agenda from the interested Pensioners' Associations after due scrutiny by a duly constituted internal Screening Committee set up at its level. Once an item is found having merit for inclusion as an agenda, the concerned Association sending the item may also be given an opportunity to participate in the SCOVA meeting to discuss only the said item in agenda.

(c) PENSION AADALAT

To redress the grievances of the pensioners of Department of Telecommunication/Bharat Sanchar Nigam Limited, Pension Aadalat are being held with the objective to resolve their pension related problems. But these are mostly held in the headquarters of the Controllers of Communication Accounts of Department of Telecommunications. The pensioners living in far off areas in the state find it difficult to attend these Pension Aadalats due to their old age. Further they are also not well equipped to present their cases properly before the Pension Aadalat. Moreover, these Aadalats are also not held on regular intervals.

So it is requested that for the sake of effective functioning of the grievance redressal system, the Pension Aadalats may be held at regular intervals by the Controller of Communication Accounts of Department of Telecommunication at all levels (SSA, Circle and Central level). The notice for holding such meetings must be given wide publicity through official website of the concerned authorities holding the Pension Aadalat and the local news papers. Since the Pension Aadalats entertain individual cases, it is requested to allow the petitioner-pensioner to nominate someone of his choice to present his case on his behalf.

2. ENSURING EXPEDITIOUS SETTLEMENT OF PENSIONARY BENEFITS

(a) TIME BOUND SETTLEMENT OF VIGILANCE/DISCIPLINARY CASES AGAINST THE PENSIONERS

It is a common experience that a few government servants after their retirement, continue to suffer for years because of non-settlement of disciplinary/ vigilance cases initiated against them while in service. In addition, in many cases the charge sheets are

served on the last day of their service. These cases continue for years together without any hope of their finalization in a reasonable time span. Their pensionary benefits are also withheld by granting them only a provisional pension which is insufficient for leading a decent livelihood. As such, they face immense problem to handle their family and social commitments with the meager amount at their disposal and in the absence of any other source for further reasonable income. The anxiety and tension created on this account apart from the social stigma because of the hanging of the sword over their head for a prolonged period with no settlement in sight also tells upon their health.

Though the Central Vigilance Commission has laid down certain general guidelines for Timely disposal of disciplinary/vigilance cases against the employees in general, but these are hardly being followed. Moreover, there are no special guidelines or mechanism in place for time bound disposal of the disciplinary/vigilance cases against the retiring/retired employees (pensioners). No one takes into consideration the need to settle these cases on time to give mental and financial relief to this section of the senior citizens. Thus, this section of the senior citizens has to lead the rest of their life under severe mental depression.

Under the above background, it is requested that the Hon'ble Seventh Central Pay Commission may kindly recommend to formulate guidelines to devise a special mechanism and a monitoring system for time-bound disposal of disciplinary/vigilance cases against the retiring/retired employees and also to ensure that in no case, the settlement of these cases be delayed for more than a year after retirement.

Enclosure :

Annexure-I [Linked to Issue No. 2(ii) above]. *[To read the annexure, posting dated 31.07.2014 in this website may be viewed].*

ACTION ON AIBSNLREA'S REPRESENTATION

UNENDING DELAY IN SETTLEMENT OF PENDING DISCIPLINARY/VIGILANCE CASES AGAINST THE PENSIONERS - CREATION OF AN EFFECTIVE MECHANISM FOR SPEEDY AND TIME BOUND DISPOSAL THEREOF: Department of Personnel & Training sends the copy of our representation that was endorsed to the Minister of State for Personnel, PG & Pensions on the above subject to the Chief Vigilance Officer, Department of Telecommunication for 'action as appropriate'. The representation was addressed to the Hon'ble Prime Minister of India vide our No. AIBSNLREA/CHQ/2014/15 dated 16.06.2014 (refer posting dated 17.06.2014 in this website). [\[To read the DoP&T letter, the posting dated 17.07.2014 in this website may be viewed\]](#)

INCOME TAX RELIEF

Government of India has allowed following relief for the direct Tax Payers for the financial year 2014-15 and assessment year 2015-16: (1) Exemption limit for Personal Tax for individuals below 60 years of age raised from existing Rs 2 lakhs to Rs 2.5 lakhs, (2) Exemption limit for Personal Tax for Senior Citizens raised from existing Rs. 2.5 lakhs to Rs 3 lakhs, (3) Investment limit in PPF raised from existing Rs. 1 lakhs to 1.5 lakhs, (4) Exemption limit under Section 80C raised from existing Rs 1 lakhs to Rs. 1.5 lakhs.

INCOME TAX RATES

(FINANCIAL YEAR 2014-15 , ASSESSMENT YEAR 2015-16)

Tax rates for the individuals below 60 years of age:

Net Income Range	Income Tax Rates	Education Cess Including Secondary and Higher Education Cess
Upto Rs.2,50,000/-	NIL	NIL
Rs.2,50,000/- to Rs.5,00,000/-	10 % of income exceeding Rs.2,50,000/-	3 % of income Tax
Rs.5,00,000/- to Rs.10,00,000/-	Rs.25000/- plus 20 % of income exceeding Rs.5,00,000/-	3 % of income Tax
Above Rs.10,00,000/-	Rs. 1,25,000/- plus 30 % of income exceeding Rs.10,00,000/-	3 % of income Tax

Tax Rates for Senior Citizens (60 years of age and above but less than 80 years):

Net Income Range	Income Tax Rates	Education Cess Including Secondary and Higher Education Cess
Upto Rs.3,00,000/-	NIL	NIL
Rs.3,00,000/- to Rs.5,00,000/-	10 % of income exceeding Rs.3,00,000/-	3 % of income Tax
Rs.5,00,000/- to Rs.10,00,000/-	Rs.20000/- plus 20 % of income exceeding Rs.5,00,000/-	3 % of income Tax
Above Rs.10,00,000/-	Rs. 1,20,000/- plus 30 % of income exceeding Rs.10,00,000/-	3 % of income Tax

Tax rates for Very Senior Citizens (80 years of age or above):

Net Income Range	Income Tax Rates	Education Cess Including Secondary and Higher Education Cess
Upto Rs.5,00,000/-	NIL	NIL
Rs.5,00,000/- to Rs.10,00,000/-	20 % of income exceeding Rs.5,00,000/-	3 % of income Tax
Above Rs.10,00,000/-	Rs. 1,00,000/- plus 30 % of income exceeding Rs.10,00,000/-	3 % of income Tax

There is no change in Tax Rates of Very Senior Citizens (80 years of age and above). It continues to be the same as in the last year.

NOTE:

- (1) The aggregate of deduction under sections 80C, 80CCC and 80CCD(I) is limited to Rupees 1.5 lakh. (Increase from Rs 1 Lakh to Rs 1.5 Lakh.)
- (2) Deductions under Section 80 D for payment of medical insurance premium is allowed upto Rs.10,000/- for those below 60 years of age and upto Rs.20,000/- for those above 60 years of age.
- (3) Interests earned in Savings Bank Accounts up to Rs 10,000 under 80 TTA is not taxable.
- (4) Please consult Auditors and view the Orders/Rules in Income Tax Department website: www.incometaxindia.gov.in

ISSUES TAKEN UP

AIBSNLREA SUBMITS ITS MEMORANDUM ON PENSIONARY BENEFITS AND RELATED ISSUES TO THE SEVENTH CENTRAL PAYCOMMISSION: AIBSNLREA has submitted a memorandum, vide its No. AIBSNLREA/CHQ/2014/18 dated 25.07.2014, to the Seventh Central Pay Commission on some selected issues concerning the pensionary benefits and related issues. The Memorandum confines itself within the terms and reference of the VII CPC on pension related issues. [[Memorandum published elsewhere of this e-journal and for further details, view the posting dated 31.07.2014 in this website](#)]

PENSION LIABILITY IN RESPECT OF DOT EMPLOYEES RETIRED PRIOR TO 1.10.2000 IN CDA SCALE- UNJUST DECISION OF DOT TO TRANSFER THE LIABILITY ON THE SHOULDER OF BSNL – AIBSNLREA TAKES UP THE ISSUE WITH MINISTER OF COMMUNICATIONS: AIBSNLREA has written to Shri Ravi Shankar Prasad, Minister of Communications & IT, Law & Justice on the unjust decision of Department of Telecommunication to transfer the pension liability in respect

of DOT Employees retired prior to 1.10.2000 in CDA scale on the shoulder of BSNL while deciding arrangements for meeting the financial liabilities for payment of pension/family pension between the Government of India and Bharat Sanchar Nigam Limited. AIBSNLREA cites the case of Mahanagar Telephone Nigam Limited which seems to have been exempted from similar arrangement to shoulder the pension liability in respect of DOT Employees retired prior to 1.10.2000 even after the decision of the Government to pay pension/family pension to the retired Employees of MTNL. AIBSNLREA urges the Hon'ble Minister – "... we earnestly appeal to your kind self to intervene in the matter so that Department of Telecommunication review its existing order No. 1-45/2003-B dated 15.06.2006 and No. 40-12/2007-Pen(T) dated 05.01.2009 and exempt Bharat Sanchar Nigam Limited from shouldering the pension liability of the DOT employees retired prior to 1.10.2000 in CDA scale as has been done in the case of Mahanagar Telephone Nigam Limited". [\[To read the letter, posting dated 30.07.2014 in this website may be viewed\]](#)

NON-PAYMENT OF PENSION AND OTHER PENSIONARY BENEFITS TO THE BSNL PENSIONERS WHO RETIRED BETWEEN 10.06.2013 AND 31.12.2013 ON THEIR LAST PAY DRAWN FIXED WITH THE BENEFIT OF MERGER OF 78.2% DA BY PRINCIPAL CCA, MAHARASHTRA CIRCLE, MUMBAI:

AIBSNLREA has taken up the above issue with Member (Finance), Telecom Commission since "the Principal CCA, Maharashtra Circle, Mumbai has not re-fixed the pension of the absorbed BSNL Pensioners who retired between 10.06.2013 and 31.12.2013 under his jurisdiction and who were wrongly and deliberately fixed their pension on the basis of presumed last pay drawn calculated with the benefit of effective merger of 68.8% DA, though all of them got the benefit of merger of 78.2% DA as per the Presidential Directive issued vide DOT OM No. 61-01/2012-SU dated 10.06.2013". AIBSNLREA has further requested Member (Finance) "to kindly intervene in the matter so that the BSNL Pensioners under the jurisdiction of Principal CCA, Maharashtra Circle, Mumbai who retired between 10.06.2013 and 31.12.2013 get their pension re-fixed on the last pay drawn fixed with benefit of merger of 78.2% DA and also all the pension arrears for the above period including the differences in DCRG, Commutation Value of Pension are paid to them immediately. Interest on delayed payment of DCRG, as per rule, may also kindly be ensured". [\[To read the letter, posting dated 29.07.2014 in this website may be viewed\]](#)

HOLDING OF PENSION AADALATS BY CONTROLLERS OF COMMUNICATION ACCOUNTS-AIBSNLREA WRITES TO MEMBER (FINANCE), TELECOM COMMISSION SUGGESTING FEW IMPROVEMENTS:

AIBSNLREA has written a letter to Member (Finance), Telecom Commission suggesting to ensure some improvements in the matter of holding of Pension Aadalats by the Controllers of Communication Accounts, Department of Telecommunication. [\[To read the letter, posting dated 25.07.2014 in this website may be viewed\]](#)

INJUSTICE AND NEGLIGENCE TOWARDS THE GENUINE CAUSES OF THE SENIOR CITIZENS - CASE OF THE ABSORBED BSNL PENSIONERS OF BHARAT SANCHAR NIGAM LIMITED:

AIBSNLREA writes to Shri Thaawar Chand Gehlot, Hon'ble Minister for Social Justice & Empowerment, Government of India with copies endorsed to the Hon'ble Prime Minister of

India and Minister of Communications & IT on the above issue citing the case of non-settlement of the revision of basic pay/pension with the benefit of merger of 78.2% DA as fitment benefit to point out “how the absorbed BSNL pensioners are being badly treated by Department of Telecommunication in the matter of their lawful rights”. The Association further makes appeal to the Hon’ble Minister “to kindly intervene in the above issue so that a section of the senior citizens who retired from Bharat Sanchar Nigam Limited and are at their old age get the justice without further delay.” [\[To read the letter, posting dated 11.07.2014 in this website may be viewed\]](#)

IMPORTANT ORDERS/INSTRUCTIONS

DOP&PW ISSUES GAZETTE NOTIFICATION AMENDING CENTRAL CIVIL SERVICES

(COMMUTATION OF PENSION) RULES 1981: Department of Pension & Pensioners’ Welfare has issued a Gazette Notification vide No. GSR 355(E) dated 26th May 2014 amending the Central Civil Services (Commutation of Pension) Rules 1981. The amended Rules is named as Central Civil Services (Commutation of Pension), Second Amendment Rules 2014. [\[To read the Gazette Notification, posting dated 27.07.2014 in this website may be viewed\]](#)

DEPARTMENT OF TELECOMMUNICATION INSTRUCTS BHARAT SANCHAR NIGAM LIMITED FOR ENSURING TIMELY AND EXPEDITIOUS DISPOSAL OF PENSION CASES: Member (Finance), Telecom Commission, in a DO letter to CMD, BSNL, has asked for ensuring timely and expeditious settlement of the pension cases of the BSNL retirees. BSNL Corporate Office has circulated this DO letter to all concerned advising them to ensure timely action. [\[To read the letter, posting dated 18.07.2014 in this website may be viewed\]](#)

REVISION OF IDA W.E.F. 1.7.2014 FOR CPSEs WHERE LAST PAY REVISION WAS IMPLEMENTED W.E.F. 01.01.2007: Department of Public Enterprises has since issued orders revising IDA w.e.f 1.7.2014 from 218.1% to 223% for CPSEs where last pay revision was implemented w.e.f. 1.1.1997. [\[To view the Order, posting dated 07.07.2014 in this website may be viewed.\]](#)

REVISION OF IDA W.E.F. 1.7.2014 FOR CPSEs WHERE LAST PAY REVISION WAS IMPLEMENTED W.E.F. 01.01.2014: Department of Public Enterprises has since issued orders revising IDA w.e.f 1.7.2014 from 88.4% to 91.3% for CPSEs where last pay revision was implemented w.e.f. 1.1.2007. [\[To view the Order, posting dated 07.07.2014 in this website may be viewed.\]](#)

BRANCHES IN ACTION

ANNUAL GENERAL BODY MEETING OF EAST VIDARBHA BRANCH, NAGPUR OF AIBSNLREA HELD: The Annual General body meeting of All India BSNL Retired Executives’ Association, East Vidarbha Branch, Nagpur (Maharashtra State) was held on 6th July, 2014 at Amenity Block, CTO Compound Nagpur under the chairmanship of Shri N.G.Talewar President of the Branch. After paying tribute to the departed members and their family members by the house, the president welcomed all life members and other retired BSNL officers present in the meeting. Shri

P.R.Bhujbal, Secretary placed the annual report before the house and highlighted all the important major current pension related issues to the members. The key issues discussed were (i) abnormal delay in issue of orders to extend the benefit of merger of 78.2% IDA for fixation of basic pension of absorbed BSNL pensioners, (ii) Non settlement of the case for removal of anomaly in the fixation of pension to DOT employees absorbed in BSNL who retired between 1-10-2000 to 31-7-2001 and (iii) speedy disposal of pending disciplinary/vigilance cases against the pensioners. The correspondences made by GS CHQ on these issues were briefed to the house. Local issues like delay in payment of medical bills of pensioners, payment of recalculation of CVP in respect of BSNL employees retired during 1-1-2007 to 2-9-2008, timely payment of earned leave encashment on superannuation, posting of adequate staff in CCA office Nagpur etc, which were discussed with PGMT Nagpur on 25-6-2014, were also highlighted. Shri B P Majumdar Finance Secretary submitted the audited the statement of Accounts for 2013-2014. The House passed the account. The meeting was attended by 111 members. 7 new life members enrolled on the day, thereby the total of life members of Nagpur Branch has reached from 297 to 304. The present body was dissolved since it completed three years term. The house also unanimously elected a new Executive Body with S/Shri N.G. Talewar as the President, P R Bhujbal as Branch Secretary and B P Majumder as the Financial Secretary. The election conducted under the guidance of Shri V S Ashtikar, Retd DGM MH CO Mumbai. Shri N R Rachkondawar Asst Secretary extended vote of thanks to one and all before conclusion of the meeting.

ANNUAL GENERAL BODY MEETING OF AIBSNLREA, DHARWAD DISTRICT (HUBLI) BRANCH:

The Annual General Body Meeting of All India Bharat Sanchar Nigam Limited Retired Executives' Association, Dharwad District (Hubli) Branch was held on Sunday the 20th July, 2014 at the Conference Hall, BSNL Sadan in the premises of GMTD, Hubli. Shri R R Joshi, President and Shri K K Kulkarni, Vice President chaired the meeting. Shri A. S. Parwatikar, Branch Secretary welcomed the members and addressed the gathering. There were discussions mainly on merger of 50% of DA effectively amounting to 78.2% for fitment benefit in the revised IDA pay scales and other issues. He highlighted the current issues taken up by CHQ in the interest of pensioners. Various correspondences made by GS, CHQ AIBSNLREA Shri Basu on pension/family pension revision and medical facilities, etc were mainly highlighted and appreciated by all the members. All the members expressed that General Secretary AIBSNLREA should take up the matter of 78.2% on war footing so that at this stage it will not be delayed for any kind of reasons by the authorities. Also a resolution was passed to communicate to the GMTD HUBLI and also CGMT Bangalore as for empanelment of good and reputed hospitals for the purpose of BSNLMRS facility at Hubli-Dharwad. About 45 members participated in the meeting. Shri V.V.Katti, Financial Secretary read out the finance statement. Shri R.R.Joshi, President addressed the members and highlighted the recent developments as regards to the retired BSNL officers. The election of office bearers for the period 2014-16 was on the agenda. The house unanimously passed the resolution that the existing body should continue. The same was adopted. Five new retired officers were enrolled in the meeting and were extended warm welcome by all other members of the association, Hubli Branch. Shri U.S.Hegde, who retired as DGM, Hubli last month, joined our association and enlightened members regarding latest

developments in BSNL. The meeting ended with vote of thanks to the chair and members by Shri A.D.PAI, Executive member.

EXECUTIVE BODY OF AIBSNLREA, EAST GODAVARI BRANCH (AP STATE) MEETS SENIOR GMTD EAST GODAVARY, RAJAHMUNDRY: The Executive body of AIBSNLREA, East Godavari Branch met Senior General Manager Telecom District, Rajahmundry on 4.7.2014. Shri S.Satyanarayana, President of the Branch led the delegation. The representatives of the Association expressed their deep concern on the slow progress of the representations submitted to Senior GMTD EGDT on 18-03-2014 regarding payment of differences of arrears of commutation for about 79 retirees who retired between 1-1-2007 and 2-9-2009 (both Executives and non-executives) as per the latest order for application of old commutation table. It was informed that 30 cases have already been sent to CCA, AP Circle Hyderabad. Senior GMTD assured that the balance of the cases will also be sent to the CCA by the end of July 2014. The representatives of the Association also requested the Senior GMTD to implement the Order on freezing of basic pay for the MRS card in respect of the pre-2007 pensioners towards outdoor treatment as per the directions of the corporate office. The meeting was held in a very cordial manner and the Senior GMTD expressed his happiness to meet the seniors BSNL officers.

CHQ QUOTA RECEIVED FROM THE BRANCHES DURING JULY 2014

***East Vidarbha Branch, Nagpur (Maharashtra)** has deposited Rupees Five thousand one (Rs 5001.00) only in the Savings Bank Account of the Central Headquarters with Syndicate Bank on 04.07.2014 as donation to CHQ.

***East Vidarbha Branch, Nagpur (Maharashtra)** has deposited Rupees One thousand four hundred (Rs 1400.00) only in the Savings Bank Account of the Central Headquarters with Syndicate Bank on 08.07.2014 as CHQ quota for additional 7 life members.

***Pune Branch (Maharashtra)** has deposited Rupees Three thousand (Rs 3000.00) only in the Savings Bank Account of the Central Headquarters with Syndicate Bank on 30.07.2014 as CHQ quota for additional 15 life members.

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