

## **30% SAB –The Rightful Dues Of BSNL RECRUITEES**

Whether BSNL recruited employees are eligible for Pension ?

If YES , How much ? Are we getting the complete Dues ? If Not, who the culprits ?

Lets go with a fact sheet on this

BSNL was formed in the year 01.10.2000 as a GoI PSU. During the formation GoI / the Ministry of Personnel, Public Grievances and Pensions notified the amended rule 37 of CCS pension Rules 1972 in 30<sup>th</sup> September 2000. It is named as **Rule 37 A.**

**The sub rule 23 clearly mentioned as.**

(23) The arrangements ( read govt pension ) under sub-rule (22) shall be applicable to the existing pensioners and to the employees who are deemed to have retired from the Government service for absorption in Bharat Sanchar Nigam Limited and shall not apply to the **employees directly recruited** by the Bharat Sanchar Nigam Limited, **for whom it shall devise its own pension scheme and make arrangements for funding and disbursing the pensionary benefits.**

**Which means BSNL should have started its own pension Scheme for directly recruited TTAs/JTOs/DGMs etc & But BSNL has not formed any pension scheme till 05.05.2016.** From the date of inception BSNL was providing / contributing For DOT absorbed employees pension ( with contributions from 14% to 23 % of the Upper band of the Pay scale) + Gratuity (4.8%) +3.3 % Retirement medical facility ( BSNL MRS /CGHS) towards Retiral benefits . This has to be equalled with **Cost to Company equalisation for DoT absorbed employee and BSNL recruited employee.** Thus, entire BSNL recruited employees also would have been given with equal share of retiral benefits from their date of joining. From the first PRC in 1997 itself many PSUs were giving Super Annuation Benefits to their employees, although it was neither uniform nor streamlined. In PSUs like BHEL, NLC, Coal India and NTPC given up to 30% SAB and ONGC and HPCL they have given even upto 39% SAB to directly recruited employees. But **For BSNL recruits were only provided with 12% EPF+ 4.8 % gratuity, total 16.8% , when BSNL was earning 10000+ Crore profit.** Here we can see that the legacy association was not at all interested in getting SAB for BSNL recruited employees, but they are busy in seeking some other favors & were preaching that EPF is BSNL recruits Pension scheme .

**‘EPF is not a pension scheme’.** EPF is a statutory requirement that is to be complied with employers. During early stages, If any employer is having more than 20 employees in an establishment then the employer has to pay contribute for EPF and stipulation is there for employers to start EPF for 10 or more employees ( best example is now BSNL external contractor if have more than 10 employee , then he have to contribute for EPF ). **In the early years BSNL has deducted only 12% of the Basic pay as EPF contribution up to August 2005. After continuous struggle and court litigations by AIGETOA - BSNL started contributing 12% of Basic +DA.** The EPF -1995 scheme has an option for Higher pension and for the same also AIGETOA is leading from the front for ensuring the same. We have already won the eligibility for BSNL recruits at Hon HC , Ernakulam and AIGETOA is all efforts are on for ensuring the same for all over india BSNL recruits.

The gratuity of BSNL recruited employees and DOT absorbed employees are different, please refer BSNL gratuity trust rules dated 15 May 2008 point -4. In second PRC recommendations with effect from 1-1-2007 , the Super annuation benefits were made a statutory contribution and streamlined to 30% of Basic + DA. Hence Before giving any perks / allowances, the PSU has to give SAB.

III. The Companies that may not afford to pay entire package at one go, will implement it in the following stages;

- i) Stage 1 Basic Pay + HRA + Statutory contributions
- ii) Stage 2 Basic Pay + Risk Pay + HRA + Statutory contributions
- iii) Stage 3 Basic Pay + Risk Pay + HRA + Statutory contributions + Part allowances + Part PRP
- iv) Stage 4 Full package

Even though BSNL was earning ten thousands crores of profit in 2007-08 and with more than 40000 crore reserve fund, the full SAB scheme could have easily done at that time. But in BSNL Bonus and Perks were implemented without implementing SAB. The legacy associations were busy to ensure the pension protection of 100% (which was 40:60/DoT:BSNL) and some back dated promotion favours, but neither they raised any word for implementing SAB nor they supported AIGETOAs endeavours for ensuring the 30% from date of joining, We continued our organisational efforts and almost all the meeting minutes with management and AIGETOA one can see the demand of 30% SAB for BRs. The dues for BSNL recruits were 13.2 % of Basic + DA ( 30% -12%- 4.8% = 13.2% ). National wide movement was organised by AIGETOA for implementing the full SAB and the result was on 12/07/2013 the management first agreed for starting the super annuation pension scheme with 2% Basic + DA .

Letter to AIGETOA GS on 12/07/2013

I am directed to state that a Committee consisting of senior officers was formed to examine the issue related to provisions of Superannuation Benefits to directly recruited employees. The Committee has, inter-alia, recommended that at the initial stage, the Company may contribute @ 2% of Basic Pay + DA on monthly basis and the employees may also be allowed to contribute monthly at a higher rate of Basic Pay + DA subject to a minimum of equal contribution given by the company w.e.f. the date of approval by the Administrative Ministry.

But due to the back stabbing of so called self proclaimed association, it was derailed. They were even mentioning directly in their websites with regard to financial viability versus BRs full SAB while all the DoT absorbed employees were given with all retiral benefits dues. **Again AIGETOA had to work on with scratch and** struggled a lot for getting SAB to the BSNL recruits. Due to our continuance persuasion and organisational actions BSNL management agreed to **implement SAB 3% on 05/05/2016** and later on it **increased to 2% on 01/04/2017.**

We are still with shortage of 8.2 % & considering the fact of 3<sup>rd</sup> PRC on anvil, AIGETOA already filed a case in Ernakulam CAT for getting full SAB from date of joining of each BSNL recruit. BSNL replied that due to bad financial condition of company it is not implemented fully & Legal fight is going on and We are having the hope that we will obtain favourable orders for achieving full 30% SAB with organisational and legal efforts.

**PRMB Fund ( Post Retiral Medical Fund ) - SAB is defined Contribution Scheme**

not defined benefit Scheme -which means the contributions should be made to a fund like EPFO or LIC trust ( gratuity deposit / pension scheme ). Advocating of actuarial analysis on PRMB of retired DOT Absorbed employees Which is a defined Benefit Scheme is a wrong interpretation. BSNL Not formed any PRMB Trust for BSNL Recruited Employees till now. But The Legacy Associations have no concerns over it as this no way affects them or their core members

**PRC Recommendation**

v) **Superannuation Benefits:** CPSEs would be allowed 30% of Basic Pay as Superannuation benefits, which may include Contributory Provident Fund (CPF), Gratuity, Pension and Post-Superannuation Medical Benefits. The CPSEs should make their own schemes to manage these funds or operate through Insurance companies on fixed contribution basis. The amount of Pension, Gratuity and Post-Retirement Benefit will be decided based on the returns from the schemes to be operated. The Pension and Medical benefits can be extended to those executives, who superannuate from the CPSE and have put in a minimum of 15 years of service in the CPSE, prior to superannuation.

We request to each BR employees to be aware and enlighten all that, there has to be an end to these misery and losses on BSNL Recruits. Even though clear directions were there for Pension and other statutory benefits we are still deprived off the same to the tune lakhs and lakhs of rupees and increasing the loss day by day. This is happening in addition to the pay losses to BRs to the tune again lakhs . Have you ever heard such a loss to any DoT absorbed employee ? This will automatically answer who is /who and who is for what ? We Appeal to each BR Executive to unite under AIGETOA platform and help All india graduate engineers and Telecom officers association to come out as Majority recognised Association in the coming EMV on 18<sup>th</sup> august 2020. 30% SAB dues is a matter that can be settled well within BSNL Board itself and we just need recognised Representative BSNL recruit to ask for it, who would speak up to the Management on behalf of BRs and settle the issue in BRs Favour for ever.

Tabulated below is the approximate Cumulative loss borne by BSNL Recruit JE Year 2003,2008,2009 and further promoted to Executive Cadre, on account of SAB from his/ her Year of Joining & 2014 joined JEs.

YEAR OF JOINING AS JTO/JAO	ELIGIBLE TOTAL SAB AMOUNT WITH 30% SAB FROM DATE OF JOINING **	LOSSES	ELIGIBLE TOTAL SAB AMOUNT WITH 30% SAB FROM DATE OF JOINING (W.E.F 2ND PRC i.e 01-01-2007) **	LOSSES	ACTUAL ACCUMULATED SAB AMOUNT FROM DATE OF JOINING WITH REDUCED SAB **
2003	38,77,781	15,14,498	36,29,028	12,65,746	23,63,282
2008	23,41,868	8,84,465	23,41,868	8,84,465	14,57,402
2009	21,23,667	7,94,118	21,23,667	7,94,118	13,29,549
2014	7,23,545	3,61,820	7,23,545	3,61,820	7,23,545

**Tabulated below is the approximate Cumulative loss borne by BSNL Recruit JTO / JAO Executive on account of SAB from his/ her Year of Joining.**

YEAR OF JOINING AS JTO/JAO	ELIGIBLE TOTAL SAB AMOUNT WITH 30% FROM DATE OF JOINING **	LOSSES	ELIGIBLE TOTAL SAB AMOUNT WITH 30% FROM DATE OF JOINING (W.E.F 2ND PRC i.e 01-01-2007) **	LOSSES	ACTUAL ACCUMULATED SAB AMOUNT FROM DATE OF JOINING WITH REDUCED SAB **
2002	5939799	2319663	5492088	1871952	3620136
2003	5300942	2069404	4957178	1725641	3231538
2004	4951982	1923660	4703665	1675342	3028323
2005	4621751	1786059	4460916	1625225	2835691
2006	4419769	1697682	4341547	1619460	2722087
2007	4213016	1608883	4213016	1608883	2604133
2008	3841448	1453324	3841448	1453324	2388124
2009	2908851	1089198	2908851	1089198	1819653
2010	2256307	834143	2256307	834143	1422164
2011	2002777	728280	2002777	728280	1274497
2012	1758796	626419	1758796	626419	1132377
2013	1528629	529946	1528629	529946	998683
2014	1296928	433068	1296928	433068	863860
2015	1074827	340239	1074827	340239	734588
2016	863355	251973	863355	251973	611383
2017	656430	179424	656430	179424	477006
2018	481631	131646	481631	131646	349985
2019	317359	86745	317359	86745	230615

\*\* We tried to make maximum correct on Basic + DA still , it is advised that Figures may be taken as an approximate indicator to show losses.

**Vote for All India Graduate Engineers & Telecom Officers Association**

**at Serial Number – 3**

***AIGETOA assures each BR that being elected as the recognised Majority association, we will commit ourselves to settle the dues in the 2<sup>nd</sup> PRC benefit to BSNL recruitees i.e 30% SAB***