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No. AIBSNLEA/CHQ/CMD/2013

DATED: 20.12.2013

To

**Shri R.K. Upadhyay
CMD, BSNL,
NEW DELHI-110001**

Sub: - Issues related to provisions of Superannuation Benefits to directly recruited employees-Reg

**Ref:- (1) BSNL CO letter no. 1-23-2012-PAT (BSNL) Dated 12.07.2013
(2) AIBSNLEA Letter No. AIBSNLEA/CHQ/Sr.GM (Admn.)/2013 Dated: 31.07.2013**

Respected sir,

On the above referred letter (1), BSNL has formed a committee as per the agreement reached with unions, to examine the issue related to provisions of superannuation benefits to Direct Recruited Employees. The Officers Committee has recommended that at the initial stage, the company 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 but this is a matter of great resentment that after lapse of more then five months, no any action has been taken on this legitimate demand of the Direct Recruits of BSNL.

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. Where as 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.

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 once again submitting the following comments-

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 retrial 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.

Sir, we have full hope and faith in your good self that definitely an immediate and prompt action will be taken on this legitimate demand of the Direct Recruits of BSNL by giving them full 30% superannuation benefit.

With kind regards,

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

Copy to:

1. Sh. A.N. Rai Director (EB/HR), BSNL Board, New Delhi-110001
2. Sh. N.K.Gupta Director (CFA), BSNL Board, New Delhi-110001
3. Sh. Anupam Shrivastava Director (CM), BSNL Board, New Delhi-110001
4. Sh. H.C. Pant Sr. GM (Legal), BSNL, CO, New Delhi-110001
5. Sh. R.K. Goyal, GM (Estt.), BSNL, CO, New Delhi-110001
6. Sh. S.S. Aggarwal, GM (Pers), BSNL, CO, New Delhi-110001
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