

Superannuation Benefits to DRs

Sanchar Nigam Executives' Association



The Pension for the absorbed employees given an opportunity to fight for the social security for others. BSNL may be the only loss making PSU in which Superannuation Fund is created with 5% contribution from BSNL, due to the efforts of SNEA and AUAB.

SNEA will continue to put efforts for

- ☞ **full 30% contribution towards Superannuation Benefits**
- ☞ **date of effect from 01.01.2007**
- ☞ **getting a favorable judgment on EPF full Pension from the Hon Supreme Court**

After becoming Recognised Association, we could achieve a hike @2% of the emoluments w.e.f. 01.04.2017 and the orders are issued on 08.01.2018. Post VRS, we are pursuing for further enhancement.

Today the contribution of BSNL directly recruited employees reached 25.1% of the emoluments (Basic + IDA) out of 30% by the efforts of SNEA and AUAB. They spread hatred among the employees, by unleashing lies about Pension contribution to the absorbed employees. The BSNL absorbed employees Pension contribution is paid @ 7% to 20% of the maximum of the pay scales for Group A equivalent and 6% to 17% for the Group B level, 5% to 16% for the Group C level and 4% to 12% for the Group D level. The rate varies from 4% to 20% as shown above as the number of years of service increases (medical facility is in addition to this).

1. EPF Full Pension and the court case for EPF full pension at Hon SC

EPF contribution, without the ceiling of 12% of Rs 6500 (after 2nd PRC, 12% of Rs 15000) was a milestone for the BSNL employees in 2005 and one of the achievements of SNEA. This made BSNL Executives eligible for EPF full Pension. Initially, BSNL was making the contribution limited to 12% of Rs 6500 only (Rs 780 every month), irrespective of actual emoluments (Basic+IDA). SNEA pursued this matter for EPF contribution without the ceiling of 12% of Rs 6500/- from 2002 onwards and finally in 2005, BSNL agreed to our demand for EPF contribution @12% of actual emoluments (Basic+IDA), without the ceiling and orders issued, extending the benefits from the beginning. BSNL paid EPF arrears also to EPFO.

The October, 2018 judgment of Ernakulam High Court on EPF Full Pension case will pave way for all beneficiaries to get a chance for giving new options for Full Pension. The Hon. High Court has pronounced the verdict on number of cases filed by a large number of Employees from different PSUs and other Sectors. In the verdict, Hon. High Court quashed the anti employee clauses like: 1) Cut Off Date for exercising Full Pension option, 2) calculation of Pension Basic on the basis of last 60 months average and restored last 12 months average and 3) service charge of 1.6% where the employer is paying as additional contribution. Our co-members in NCOA from different CPSUs were conducting this case. SNEA decided in the Bhubaneswar CWC to become party in the case with all interested beneficiaries as parties for Full Pension Option in the Hon Supreme Court.

Union Govt and EPFO filed another SLP and a Review petition against the EPF full pension. Through NCOA, SNEA and its members becoming direct party in the Hon Supreme Court in the pending SLPs on EPF full Pension issue. We have given an opportunity to all the Executives to become a party directly in the Hon Supreme Court through the Association so that if the judgment is limited to the applicants, all the members joined in the petition will get the benefit. All the Executives interested to become party in the petition in the Hon Supreme Court can utilise this opportunity. In some earlier cases, EPFO extended the Full Pension benefits to the applicants alone, not to all similarly placed pensioners. So, lawyer advised us that all members individually to become a direct party, without taking any risk.

Another major initiative by SNEA to secure the future of BSNL direct rect employees, not having Govt pension, by providing better social security.

2. Formation of Superannuation Fund

2nd PRC recommended Superannuation Benefits with the ceiling of 30% of emoluments (Basic+IDA). On this vital issue, BSNL management simply taken the initial position that 2nd PRC recommended up to 30% Superannuation benefit and no need of separate fund as we are giving ~18%, including full contribution without limit in EPF." After the agitation by JAC in June 2012, management constituted a committee to study the issue and come out with recommendation for any separate fund if needed or not. Then the committee under the chairmanship of then ED(Fin) BSNL CO, came up with proposal of Superannuation fund with 2% contribution. This was vehemently opposed by one and all. Then due to lot of pressure for reconsideration, the decision was reviewed but this time with 3%. In this context SNEA took the initiative and restarted the negotiation and Shri R K Upadyay, CMD/BSNL did offer maximum 4% in 2014. There was opinion in JAC, that we should accept it with riders. In the mean time, so called saviors of DRs (AIGETOA) started propagating Vested interests are compromising on Superannuation benefit. On becoming controversial, Non Executives Unions taken a stand that nothing less than 12% is acceptable. The issue went to cold storage once again. After the joining of new CMD and Dir HR in 2015, it was SNEA again

initiated the negotiations. Ultimately CMD agreed for 6% and the same was announced to the masses by CMD himself at the Open Session of our AIC Jaipur, in front of all General Secretaries. The unseen forces in BSNLCO were too active and cunning; they decided to call a meeting of all the Unions and Association with Dir HR at two hours notice and proposed again 3%. Somehow management ensured attendance of only those who will not oppose their proposal. So called saviors of BR/DRs attended the meeting on 19.02.2016 and agreed for 3%, ignoring the assurance of 6% from the CMD when we were away from the HQ (in Kerala Conference). They agreed for 3% only because the offer of 6% was made in the AIC of SNEA. They never dared even to publish the deliberations of the meeting on their website. Another betrayal of the BSNL direct rectx by them. In 2013, they betrayed us by demanding E2 scale from 01.10.2000 itself when management offered E2 & E3 pay scales replacing E1A and E2A w.e.f. 01.01.2007.

While, calculations were underway, EF section had conveyed the expenditure on PRMB as 13.8% which by any standard was very high and by which total contribution even crosses 30%. Subsequently the erroneous figure was examined by LIC and recommended 3.2% PRMB on actuarial basis. The BSNL Board meeting held on 05.05.2016 approved 30% superannuation benefits to BSNL direct rectx with initial contribution of 3% from BSNL and the date of effect as 05.05.2016. The proposal got the approval of Hon MOS and on 29/09/2016, 3% contribution towards pension scheme was notified by BSNL, effective from 05.05.2016. Immediately after that SNEA started discussion on formation of Trust meant for managing superannuation benefits, fund management and selecting the fund manager. The BSNL Board meeting held on 31.01.2017 approved the proposal for Trust formation, the next step. SNEA nominated one of the two Trustee Board members from employees side with DIR(HR) as Chairman, Sr GM(Legal), GM(CA) and GM(Estt) are other members. Finally in a very significant breakthrough, it started with 3% w.e.f 05.05.2016, by which the total contribution reached 23% out of 30%. Long struggle along with long wait saw Superannuation Pension Fund notified on 28/09/2017 bringing a long pending demand for social security to BSNL recruitees. This entire amount will be accounted for the purpose of Pension and the Pension Fund will be handled by the LIC.

SNEA continued its efforts to increase the contribution along with other Unions and Associations. BSNL Board meeting held on 24.10.2017 approved another 2% hike in Superannuation fund taking the contribution to 5%. By this the total contribution reached to 25.1% (EPF-12%, Gratuity-4.8%, PRMB-3.2% and 5% for pension) out of 30%.

We are struggling for another 3% more as assured by the CMD. We will be taking up to give 01.01.2007 as the effective date.

Give us 51% vote, SNEA assure 30% SAB to all DRs.

Vote for SNEA, Vote for Unity, Vote for No: 9