

## **Pension issues in MTNL and BSNL : Lok Sabha Q&A**

GOVERNMENT OF INDIA  
**MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY**

LOK SABHA  
UNSTARRED QUESTION NO 3970  
ANSWERED ON 05.09.2012

### **PENSION ISSUES IN MTNL AND BSNL**

3970 . Shri JAYARAM PANGI

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:-

- (a) whether the issues relating to Pension to Corporatized Telecom Department namely of MTNL and BSNL remain unresolved for a long period;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the action taken by the Government to resolve the pension issues along with the time frame fixed for the same?

### **ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

**(a) The pensionary benefits to the absorbed employees of BSNL are covered under Rule 37-A of Central Civil Services (Pension) Rules, 1972, and the same are being paid by the Government. The pensionary benefits to absorbed employees of MTNL are being paid by MTNL. MTNL employees Associations/Unions are demanding payment of pensionary benefits by the Government.**

(b) & (c) The details of the action taken, with the present status are placed at Annexure-I.

[Annexure-I](#)

### **LOK SABHA ANNEXURE UNSTARRED QUESTION NO. 3970 DATED 05-09-2012**

MTNL was established on 1.4.1986 and employees were initially transferred to MTNL on deemed deputation and absorbed in MTNL as per their options. The date of absorption for Group C and D employees was 1.11.1998 whose pensionary benefits are governed by DOP&PW's Office Memorandum dated 5.7.1989, whereas the date of absorption for Group A and B employees was 1.10.2000 whose pensionary benefits are governed by Rule 37-A of CCS (Pension) Rules, 1972.

Rule 37-A was notified at the time of formation of BSNL. The pensionary benefits of Government employees who got absorption in BSNL w.e.f. 01.10.2000 are governed by Rule 37 A of CCS (Pension) Rules, 1972. As per the provisions Sub-Rule 21 of Rule 37-A, the absorbed employees of BSNL are paid pensionary benefits by the Government.

After the notification of Rule 37-A on 30.9.2000, MTNL employees/Associations have been demanding for similar treatment regarding payment of pension/pensionary benefits as given to BSNL employees.

The matter regarding applicability of Rule 37A to MTNL was considered by Committee of Secretaries in its meeting held on 14.12.2004 in which it was observed that the issue is well settled and should not be reviewed at this stage on the grounds that there are disparities in pay scales between MTNL and BSNL staff and in majority of the pay slabs, BSNL was given one scale below than MTNL. Hence, the existing system of payment of pension would continue.

The MTNL Associations/employees are continuously demanding for payment of pensionary benefits to MTNL employees at par with BSNL employees. They are also not supporting for creation of Pension Fund/Trust as required under the Rules.

The matter was again discussed in a high level meeting during 2007 and accordingly a Cabinet Note was submitted on 23.2.2009. However, due to differences of opinion among the concerned nodal Departments on the issue, it was desired that the difference of opinion may first be resolved in Committee of Secretaries before placing the issue in the Cabinet. Department of Legal Affairs has asked for fresh opinion of nodal Departments. The opinion of Department of Pension and Pensioners Welfare as well as Department of Public Enterprises have since been received. Opinion on Department of Expenditure is still awaited. Further, as per the discussions held in the Parliamentary Committee of Petitions on 11.7.2012, CMD, MTNL is also exploring the possibilities of MTNL employees' representatives accepting the BSNL pay scales. In parallel, the groundwork for creation of Pension Fund/Trust for payment of pension to MTNL employees as per Rules/orders has also been initiated by this Department/MTNL. Being a matter of policy, it is not possible to fix any time-frame. Meanwhile, the pensionary benefits to absorbed employees of MTNL are being paid by the MTNL.