

# UNITED FORUM OF MTNL UNIONS & ASSOCIATIONS

[A-95 Shankar Garden, New Delhi-110018]

## Associates

- # Telecom Executive Association of MTNL (M: 9869136363)
- # MTNL Executive Association (M: 9868133336)
- # MTNL Staff Union (M: 9868133959)
- # MTNL Mazdoor Sangh (M: 9868137700)
- # MTNL SC/ST Employees Welfare Association (M: 9810672392)
- # Bhartiya Mahanagar Telephone Nigam Karamchari Sangh (M: 9868240035)
- # MTNL Workers Union (NFTE) (M: 20591084)
- # Dr.Ambedkar MTNL Sc/ST/OBC Telecom Emp.Welfare Assn.(M: 9868549755)
- # MTNL Karamchari Sanghathan (M: 9868001515)
- # MTNL Karamchari Union (M: 9013018199)
- # MTN Employee Union Gr.C&D (M: 9013356947)
- # MTNL Employees Welfare Union (M: 9868115485)
- # MTNL Karamchari Ekta Union (M: 9868838008)
- # Retired Telecom Officers' Welfare Association (M: 9968721515)

Ref.No. UFOM/2010-11

Dated : 21.01.2012

To

Shri A.K.Seth  
Cabinet Secretary,  
Government of India,  
South Block ,New Delhi.

*Handwritten signature and initials: 23/1/12 C.S.*

Subject :- Pension security of the erstwhile D O T employees absorbed in MTNL – requested for.

Sir,

We are originally Central Government employees recruited by D O T. On formation of MTNL by

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converting the then Mumbai Telephones and Delhi Telephones of D O T set up, we are absorbed in MTNL. As per Terms and Conditions of absorption, we are entitled for pension and other pensionary benefits under CCS (Pension) Rules, 1972 on combined service i.e., for our service in D O T together with our service in MTNL. Even though vast majority part of our service period is in D O T compared with that in MTNL, DOT is reluctant to take the responsibility of our pension simply because a part of our service is in MTNL. In the similar case, DOT pays the pension of its erstwhile employees absorbed in BSNL. For last almost 11 years, MTNL pays the pension of MTNL absorbees at the direction of DOT.

2. MTNL is now dire financial distress. MTNL now feels increasingly difficult to bear the burden of pension which is actually the responsibility of D O T. The MTNL pensioners are already affected by this.

Their payments of arrears accrued due to the revision of pension w.e.f. 1.1.2007 has not been paid by MTNL showing its financial constraint, even though the pension revision has been approved both by DOT and MTNL and the same has since been fully implemented in case of the similarly placed pensioners in BSNL.

3. The stalemate in respect of MTNL pension continues for a period of more than a decade and MTNL pensioners continue to get deprived very miserably. In 2002, the then Hon'ble Minister (C & IT)

gave assurance that no distinction would be made between the pension of MTNL absorbees and BSNL absorbees. Similar assurance was made by the then Hon'ble Minister (C & IT) in 2008 also and Govt. reiterated the said assurance in Parliament also in form of a reply to Question. The issue of granting pension to MTNL absorbees similar to that in the case of BSNL absorbees i.e., MTNL pension also would be paid by DOT, goes before the highest of decision making forum in the Government. There it was decided that let the matter be examined by the Committee of Secretaries first. The COS met for once and the meeting ended with the decision that COS would meet again after gathering information from the nodal Ministries/ Departments. The said inconclusive meeting of COS could not be held till date as Min. of Finance did not provide the required information /comments despite repeated requests of DOT.

Thus the process which was initiated at the instance of highest level of Government, remains derailed.

4. Now it is learnt that D O T, in connivance with the management of MTNL Corporate Office, has taken a move to constitute Pension Trust for taking over the responsibility of MTNL pension. The arrangement is such that Govt. will make one time contribution to the Trust and thus Govt will wash off its hands from the responsibility of MTNL pension. This is unfair and this is not acceptable to MTNL employees. The provision of pension from Trust is not secured and why for the first place, there will be distinction between the pension provisions of MTNL and BSNL absorbees ?

5. The provision of pension from Trust is not a viable option. Trust is neither financially viable nor it is sustainable. How much amount will be paid to Trust ? According to our information, the amount being contemplated is not sufficient to meet the demand of pension and other pensionary entitlements even for 4

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years. Most unfortunate thing is that neither DOT nor present corporate management is interested to analyse and understand the situation governed by the future inflow of cash in to the Trust in form of pension contributions and amount required to be paid for pension and pensionary benefits i.e., cash out flow. To our understanding, to meet the demand of pension and other pensionary entitlements of one retiree, pension contributions of 3.8 ( almost 4) serving employees is required. By 2017, there will be almost 11000 serving employees to provide pension contributions, whereas there will be 34000 pensioners to claim pension and other pensionary entitlements. Apart from this, there is a hazard of putting the amount of Trust in the bad basket. In today's situation, such fear is not out of nothing.

6. None in the authority cares to address the following questions :

- (1) Both BSNL and MTNL absorbees are parented to DOT, Why is then the distinction between their pension arrangements to the disadvantage of MTNL absorbees?
- (2) Why assurances of Hon'ble Ministers ( C &IT ) will not be honoured?
- (3) Why assurance pronounced in Parliament will not be kept ?
- (4) What is the guarantee that Trust will survive ? If not survived, where will old retirees go for their pension ? The pseudo guarantee mentioned in Rule 37 A can not be sovereign as it is full of "ifs" and "buts". The situation under which Govt. is supposed to come forward to rescue is full of ambiguity. By the time, all these knotty issues would be settled, the old retirees will come on the road and will be subjected to starvation so as to pay the price for joining in MTNL
- (5) Successive Governments are within the policy of disinvestment of PSUs. The instance of 100% disinvestment is not rare to see. What will happen, if MTNL meets the fate of VSNL ? VSNL Employees got 100% commutation at the time of absorption. But this benefit was taken away at the time of MTNL absorption.
- (6) Will those in the Govt. advocate for Trust under Rule 37 A, will accept for themselves similar provision of Pension from Trust ? Let it be an acid test for veracity and efficacy of the so called guarantee under Rule 37 A.

7. Sir, it is our fervent appeal to your good self that you please don't accept any such proposal


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from DOT. Instead direct DOT to try to make necessary arrangements so that the inconclusive meeting of COS is held to sort out the discrepancy in the arrangement of MTNL pension vis-à-vis BSNL pension. For such kind action on your part, the thousands of Sr. citizens of our country in form Of MTNL retirees will remain ever grateful to you.

Thanking you,

Yours faithfully,

  
( M. K. Bagchi )

Convener

Copy to :-

1. Shri Manmohan Singh, Hon'ble Prime Minister
2. Shri Kapil Sibal, Hon'ble Minister ( C & IT )
3. Shri R. Chandrasekhar, Secretary/ DOT
4. Shri A.K.Garg, C M D / MTNL. for immediate n/a please.

23/1/2013  
प्रधान मंत्री कार्यालय  
Prime Minister's Office  
आंक अनुभाग  
DAK SECTION

23/1/2013  
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23-1-13  
अ० एतं प्र० नि० के निजी सचिव  
P.S to C M D.  
म० डे० नि० लि०/MTNL