

# Telecom Executives' Association of MTNL

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No. TEAM/CHQ/MTNL/CO/2013-14/39

Dated : 28.06.2013

To

Shri M.F.Farooqui,

Secretary ( Telecom),

Department of Telecommunication,

20, Ashoka Road, New Delhi-110001

**Subject :- Extension of CGHS benefits to MTNL absorbees.**

Sir,

MTNL absorbees are originally DOT recruits and they were entitled to CGHS benefits while on the DOT roll, i.e., prior to absorption in MTNL. During the process of absorption, while exercising the option for absorption in MTNL, the option opportunity was not given to the MTNL absorbees as to whether they would opt for retaining the CGHS benefits even after absorption. Thus for MTNL absorbees, the MTNL scheme of healthcare provisions was made a fate accompli. Whereas for absorption in BSNL, the BSNL absorbees were given an opportunity to opt between CGHS benefits and BSNL scheme of healthcare benefits. No wonder that many BSNL absorbees and retirees enjoy the CGHS benefits even after absorption.

**Therefore, for the sake of providing equal opportunity and to avoid discrimination, MTNL absorbees should be given an opportunity to opt between CGHS benefits and MTNL healthcare benefits even at this stage.**

As already stated, the MTNL absorbees (both working as well as retirees) are now entitled to MTNL scheme of healthcare benefits which, for hospitalization cases, are in form of a Group health Insurance Scheme with United Insurance Company. This is, to say the least, is inadequate and unsatisfactory. As the insured amount is less, in most of the cases, even 40% of the hospital bill can not be paid by TPA/Insurance Company. Floater part of the scheme is on the verge of collapse. With the dwindling financial condition of MTNL, the concerned hospital refused to hand over the body as full payment could not be paid. Neighbours came to rescue.

**The basic question in this regard is, why MTNL absorbees who are entitled to Govt. scheme of pension (without the provision of 100% commutation), should not be entitled to CGHS benefits ?**

Contd...page 2

We would like to draw your kind attention to the OM No. C.14012/11/2003-CGHS-Desk I dated 18.08.2009 of Ministry of Health & family Welfare, Department of Health & Family Welfare ( Copy enclosed ). The OM relates to Hon'ble Supreme Court's order dated 01.05.1998 for extending the CGHS benefit to the PSU absorbees on restoration of their 1/3 portion of the pension on expiry of 15 years from the date of retirement. These PSU absorbees were earlier denied the CGHS benefit as they opted for 100% commutation of pension under the plea that they were no more drawing the govt. pension. According to Hon'ble Supreme Court, these PSU absorbees got back their entitlement of CGHS benefits on restoration of 1/3 portion of their pension.

MTNL absorbees are not entitled to 100% commutation as this benefit was withdrawn prior to MTNL absorption. Therefore, there is no reason why they should not be entitled to CGHS benefit.

We would request you to kindly consider this issue favorably and early.

Thanking you,

Yours faithfully,



(A.K.KAUSHIK)

General Secretary

copy to:-

1. Member (Services) DOT, for information and necessary action pl.
- ✓ 2. Member (Finance) DOT, for information and necessary action pl.
3. CMD, MTNL, for information and necessary action pl.
4. Director (HR), MTNL for information and necessary action pl.
5. Director (Finance), MTNL for information and necessary action pl.

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**C.14012/11/2003-CGHS-Desk I**  
**Ministry of Health & Family Welfare**  
**Department of Health & Family Welfare**  
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Nirman Bhawan, New Delhi  
Dated the 18th August, 2009

**O F F I C E M E M O R A N D U M**

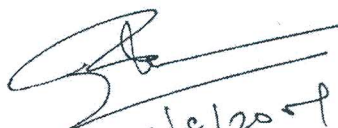
**SUBJECT: Extension of CGHS benefits to PSU absorbees.**

The Government of India, as per its' the policy, created many CPSUs to cater to the needs of various sectors of the economy and industry. Officials working in different Ministries were permitted to proceed to CPSUs on deputation basis initially and according to their option either got absorbed in the CPSU or returned back to the Ministry / Department from where they proceeded on deputation. In respect of Government servants who opted to get absorbed in CPSUs, were allowed to commute 100% of their pension, as per the provisions contained in the then Rule 37-A of CCS (Pension) Rules, 1972.

2. After receipt of the lump sum commuted amount, the pensioner stood to loose 1/3<sup>rd</sup> portion of his pension for his entire life. Aggrieved by the lapsing of 1/3<sup>rd</sup> portion of the pension for life, Common Cause, a Society in the field of social service, filed a Petition in the Hon'ble Supreme Court of India, which vide its judgement dated 9<sup>th</sup> December, 1986, in Writ Petition Nos. 3958-61 of 1983 ordered that Central Government Pensioners governed by CCS (Commutation of Pension) Rules, 1981, and other corresponding commutation rules and who had commuted the admissible portion of the pension were entitled to have the commuted portion restored on the expiry of 15 years from the date of retirement. By way of implementing the judgement of the Hon'ble Supreme Court, Department of Pensions and Pensioners' Welfare issued an Office Memorandum No. 34/2/86-P&PW on 23<sup>rd</sup> June, 1987. Para 4 of the Office Memorandum mentioned that the restoration of the commuted amount will not be applicable to those CPSU absorbees who had commuted 100% of their pension as they were not 'pensioners' because they were not receiving any pension from the Government.

3. Aggrieved, again, by the denial of the restoration of pension by the Department of Pensions and Pensioners' Welfare, a group of PSU absorbees approached the Hon'ble Supreme Court for restoration of full pension, medical facility, etc. After going through the rule position, the Hon'ble Supreme Court held that PSU absorbees who had commuted 100% of the pension stood on a different pedestal when it came to the balance portion of pension left after the commutation of 1/3<sup>rd</sup> portion of the pension in as much as they have surrendered their right to draw 2/3<sup>rd</sup> portion of the pension in lieu of receipt of a lump sum amount. Based on the order of Hon'ble Supreme Court, the Department of Pensions and Pensioners' Welfare issued orders for restoration of 1/3<sup>rd</sup> portion of commuted pension of PSU absorbees. The Hon'ble Supreme Court vide its order dated the 1<sup>st</sup> May, 1998, ordered that PSU absorbees along with the restoration of 1/3<sup>rd</sup> portion of the pension were entitled to other attendant benefits.

4. In the case of PSU absorbees, who had commuted 100% of their pension, they do not draw any pension for fifteen years and start getting 1/3<sup>rd</sup> portion of their pension with

  
18/8/2009

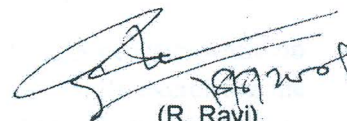
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dearness relief on 100% of their notionally fixed pension. PSU absorbees who had commuted 100% of their pension were not extended CGHS facility, as they were not availing CGHS facility at the time of their retirement from the PSUs. Shri G. Jayaraman, a PSU absorbee, filed an OA, No: 628 / 2004, in the Central Administrative Tribunal, Chennai, requesting for the extension of CGHS facility to him. CAT, Chennai Bench, vide its order dated the 15<sup>th</sup> September, 2005, ordered that since the applicant has become a pensioner after the restoration of 1/3<sup>rd</sup> portion of his pension, he is entitled to CGHS facility. The decision of Chennai Bench of CAT was first challenged by the Government, first in the High Court of Judicature in Chennai and then in the Hon'ble Supreme Court. The Hon'ble Supreme Court dismissed the SLP, No: 21225/2007 by its order dated the 9<sup>th</sup> February, 2009.

5. The matter has been examined in consultation with the Ministry of Law & Justice and IFD in the Ministry of Health & Family Welfare and it has been decided with the approval of the competent authority that CGHS facility may be extended to those PSU absorbees who had commuted 100% of their pension and they have been restored 1/3<sup>rd</sup> portion of their pension after 15 years in terms of the order of the Hon'ble Supreme Court of India dated the 1<sup>st</sup> May, 1998, referred to above. The contributions to be made will be decided by the Grade Pay that they would now have drawn in the Government in the post held by them but for their absorption in the PSU

6. This issues with the concurrence of IFD (Health), vide Dy. No: 892/AS&FA dated the 26<sup>th</sup> May, 2009.



(R. Ravi)

Deputy Secretary to the Government of India  
(Telefax: 2306 3483)

To

1. Director, CGHS, Nirman Bhawan, New Delhi
2. All Pay and Accounts Officers under CGHS
3. Additional Directors / Joint Directors of CGHS outside Delhi
4. Secretary (AR & PG & Pension & Pensioners' Welfare), Sardar Patel Bhawan (5<sup>th</sup> Floor), Parliament Street, New Delhi 110 001.
5. Deputy Secretary (Civil Service News), Department of Personnel & Training, 5<sup>th</sup> Floor, Sardar Patel Bhawan, New Delhi
6. Swamy Publishers (P) Ltd., P. B. No.2468, R. A. Puram, Chennai- 600028.
7. M/s Bahri Brothers, 742 Lajpat Rai Market, Delhi 110 006
8. Shri Umraomal Purohit, Secretary, Staff Side, 13-C, Ferozshah Road, New Delhi 110 001
9. All Staff Side members of National Council (JCM).
10. NIC, Nirman Bhawan with the request that the Office Memorandum be uploaded in the website of CGHS.
11. Office Order folder
12. Guard file