

PRO-RATA PENSION : COMBINED SERVICE PENSION :-

For absorbed Gr-B and Gr-A officers:-

PRO-RATA PENSION

1. What is pro-rata pension ?

Pro-rata pension means the proportionate pension for the Government service. It is calculated as per the Government pension rules. The pro-rata pension is paid by the Government.

2. Who is eligible for pro-rata pension benefits ?

In MTNL the absorbed Gr-B or Gr-A employees having 9 years and 9 months of continuous service (including the training period) as on 30/09/2000 are eligible for pro-rata pension for the period of Government service.

3. What are all the pro-rata pension benefits ?

- a) Pension from 01/10/2000: Arrears of pension will be paid from 01/10/2000.
- b) Gratuity : It will be paid with interest at GPF interest rates compounded annually from 01/10/2000 till date of payment..
- c) Family pension based on CDA pay on 01/10/2000.

Commutation of pension is NOT admissible.

4. How the pro rata pension is calculated as per Government rules ?

As per Government pension rules the pension depends upon length of qualifying service and average pay for the last 10 months.

Three months and above is one six monthly period. The training period prior to appointment is also considered as qualifying service. The maximum six monthly periods is limited to 66.

Pension=10 months average of basic pay from 01/12/1999 to 30/09/2000 / 2 X Number of six monthly periods of Qualifying service limited to 66 / 66

The pension has been revised wef. 01/01/2006. The revised pension = Pension on 31/12/2005 X 2.26

Pension is taxable.

Minimum amount of pension p.m. = up to 31/12/2005:-Rs.1913

From 01/01/2006:-Rs.3500

5. How the Gratuity is calculated ?

Gratuity = Pay plus DA for Sep'2000 X No. of six monthly periods of service / 4.

- No. of six monthly periods is limited to 66.
- The maximum limit up to 3.5 lakhs. Gratuity is NOT taxable.

6. Any interest is payable for arrears of pension and gratuity ?

6.1 Interest is NOT payable for the arrears of pension.

6.2 The gratuity has become due on 01/10/2000. This gratuity amount will carry interest till the date of payment at GPF interest rate, compounded yearly.

The interest on gratuity is taxable.

7. Family pension is 30% of basic pay drawn on 30/09/2000 in CDA.

8. Leave encashment will be paid only on retirement.

9. **REVISION OF PENSION FROM TIME TO TIME:-**The pro rata pension is paid by the Government and is upwardly revised merging DA and giving some percentage addition. On 01/01/2006 the existing pensioners got revision of pension equal to 2.26 times of basic pension.

Benefits for MTNL Service:-

8. Whether any pension is payable for MTNL service after 01/10/2000 ?

Yes. If you opt for pro-rata pension, you will get the following benefits for the MTNL service.

- a) Contributory Provident fund
- b) Gratuity under Gratuity Act
- c) EPS (Employees Pension Scheme'95) Pension for MTNL service.

9. What is Contributory Provident Fund ?

Contributory Provident fund:- Every month MTNL will pay CPF contribution to MTNL PF Trust @12% of basic pay plus DA of that month.

Out of this contribution a sum of Rs.541/- will be remitted to Employees Provident Fund Organisation towards EPS pension contribution.

The balance (12% of basic pay + DA (-) Rs.541/-) money in the PF Trust will accumulate with interest compounded yearly and will be paid on retirement by the MTNL PF Trust..

10. How gratuity is calculated under gratuity Act ?

Gratuity is equal to 15 days of service for every completed year of service.

Gratuity payable for Government service and gratuity payable for MTNL service together is limited to 10 lakhs.

11. What is EPS Pension ?

It is governed by 'The Employees' Pension Scheme, 1995. The EPS Pension is paid by Employees Provident Fund Office of Central Government..

Out of the CPF contribution a sum of Rs.541/- per month (@8.33% of Rs.6500) will be paid to EPF organisation as contribution towards EPS pension up to 58 years of age. However the EPS pension will start on retirement at 60 years.

EPS pension = $RS.6500 \times \text{Period of contribution} / 70$

Two years weightage will be added to period of contribution on retirement.

12. Whether any DA is admissible on EPS pension ?

No. DA is not admissible on EPS pension.

13. Who are eligible for EPS pension ?

- a) Gr-C and Gr-D employees recruited in MTNL on or after 01/11/98
Gr-B and Gr-A officers recruited on or after 01/10/2000.
- b) Pro-rata pension optees with 10 years of continuous service in MTNL up to his age of 58. In other words the pro-rata optees with date of birth on after 01/10/1952 are eligible.

Pension on combined service:-

1. Who are eligible for pension on combined service ?

Absorbed employees who have not opted for pro-rata pension are eligible for pension on combined service.

2. What are the benefits ?

- a) Pension on total service (Service from date of entry to date of retirement) as per government pension rules.
- b) Gratuity as per government pension rules

3. Pension calculations Retirement up to 31/12/2005:-

4. As per Government pension rules the pension depends upon length of qualifying service and average pay for the last 10 months.
5. Three months and above is one six monthly period. The training period prior to appointment is also considered as qualifying service. The maximum six monthly periods is limited to 66.
6. Pension = 10 months average of basic pay prior to retirement X Number of six monthly periods of service / 66

Retirement from 01/01/2006:-

- a) In the above calculations, 10 months average or **last pay drawn whichever is more** should be taken in to account.
 - b) The number of six monthly periods is limited to 40 instead of 66.
7. Who will pay the pension on combined service ?

As an interim measure MTNL is paying. The ruling position is as under:-

- a) For Gr-C and Gr-D employees :- MTNL pension trust should pay as per Govt.orders dated 05/07/89 and subsequently clarified regarding Trust. This pension trust has not yet been constituted.
- b) For Gr-B and Gr-A employees:- Central Government pension trust should pay as per Rule 37A. This pension trust has not yet been constituted.

8. REVISION OF PENSION:-

BSNL and DOT have recommended revision of pension for BSNL pensioners on 01/01/2007 The formula is $1.3 \times (\text{Basic pension on 31/12/2006} + \text{DA at 68.8\%})$. Government has not yet issued orders. No such recommendations have been made for MTNL pensioners so far.

9. What do we demand ?

All the Unions and Associations of MTNL demand that the pension should be paid by the Government. In BSNL pension is paid by the Government.

10. Please tell me clearly whether I should opt for prorata pension or not?

It is for the individuals to decide based on the individual calculations.
For any query please mail to tkjawahar@rediffmail.com
