

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 MazdoorSangh (M: 9868137700)
- # MTNL SC/ST Employees Welfare Association (M: 9810672392)
- # BhartiyaMahanagar Telephone Nigam KaramchariSangh (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)
- # MTN Employee Union Gr.C&D (M: 9013356947)
- # MTNL Employees Welfare Union (M: 9868115485)
- # MTNL KaramchariEkta Union (M: 9868838008)
- # MTNL Karamchari Congress (M: 9868134633)
- # Retired Telecom Officers' Welfare Association (M: 9968721515)
- # MTNL(DOT) Ex.Employees Welfare Association (M: 9968075051)

Ref. No. UFOM/2010-13

Date: 20/06/2013

To

Shri A.K.Garg

Chairman & Managing Director

MTNL Corporate Office

Mahanagar Telephone Nigam Limited

C G O, New Delhi.

Subject :- Pending Burning Issues in MTNL.

Sir,

We would like to draw your kind attention to the following pending, burning issues in MTNL :-

- (1) MTNL Pension issue for the DOT recruited employees absorbed in MTNL.
- (2) Inadequate and unsatisfactory medical facilities in MTNL.
- (3) Implementation of fitment formula to benefit merger of 50% DA effectively amounting to 78.2% as on 1.1.2007.
- (4) Payment of arrears of Pension Revision w.e.f. 1.1.2007 to the eligible pensioners who retired prior to 1.1.2007.

Let us post our briefs on these issues as hereunder :-

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I. MTNL Pension Issue.

The demand of MTNL executive and non-executive employees who are erstwhile DOT recruits but since absorbed in MTNL still stands as before i.e., MTNL pension should be paid by DOT as in the case of BSNL. The justifications, as explained repeatedly in earlier occasions, are in short as follows.

- (a) There should not be any discrimination in the matter pension between two sections DOT employees, one section absorbed in MTNL and the other absorbed in BSNL.
- (b) The existing provisions of Rule 37 A as applicable for MTNL absorbees do not provide essential, genuine guarantee for security of pension. This is explained by us many times in details.
- (c) The provisions of Rule 37A provide unfair and unjust distribution of pension liabilities between DOT and MTNL which is heavily biased and damaging for MTNL as an organization so much so that MTNL's financial position will be perpetually at peril.

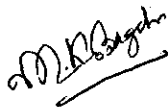
In the meeting held between the representatives of United Forum and CMD held on 15/02/2013, when CMD for the first time informed us that MTNL already gave its consent to DOT in favour of formation of common Pension Trust for MTNL absorbees, - both executive and non-executive, all those three points of justifications were explained in details once again. We rejected the proposal for arrangement of Pension Trust under Rule 37A for payment of MTNL pension as a retrograde action on the part of MTNL as well as DOT. According to our views, this will further dilute the pension security of the non-executive employees as well.

However, ultimately, at the requests of CMD and Director (Finance), we submitted detailed note vide our letter dated 19/02/2013 addressed to the CMD, MTNL to illustrate, sub-rules by sub-rules, how the existing provisions of Rule 37A are detrimental to the interests and security of MTNL and its employees and pensioners. We also suggested, on requests from the management, specific modifications to be incorporated in Rule 37A statutorily to safeguard the said interests.

We are aware of the efforts taken thereafter by the CMD and other senior officers of MTNL Corporate Office to take up these issues with Hon'ble Minister (C&IT) and DOT. We are also aware that MTNL pension issue is now one of focus areas in the ongoing deliberations of the GOM constituted for the purpose of revival of MTNL and BSNL.

But our point of serious concern is, DOT's brief to GOM, as far as we know, suggests to discharge of pensionary of the Government by way of payment of Rs5,925 Crores as one time lump sum payment to the Pension Fund. Question is, is this amount, in addition to the pension contributions payable by MTNL under FR 116, adequate to sustain the financial ability to meet the huge burden of pension liability. If not, how and who will make good for the shortfall. Moreover, it is still not clear to us whether the security aspects as stated herebefore are being addressed simultaneously. But for this, there is no solution worth to its name.

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II. Medical Facilities available in MTNL.

As DOT employees, we were entitled to medical facilities under CGS Scheme. After absorption, we were provided with MTNL's own scheme of Medical facilities which used to be managed by MTNL itself. MTNL has now introduced Group Health Insurance Scheme to provide medical facilities to the working employees and retirees for treatment requiring hospitalisation replacing the earlier. The justification is shown as that in earlier MTNL managed scheme the cost was unduly high due to, as feared by management, involvement of pilferage in some cases.

But the new scheme of Group Health Insurance has failed to provide relief to the ailing beneficiaries, -both employees and retirees even though hefty amount has been paid in advance as premium for insurance as well as advance for payment under floater scheme. On scrutiny it is found that under the present medical scheme, MTNL now pays more than earlier cost incurred but the satisfaction of the beneficiaries are dwindling.

Under the circumstances, we would request you to switch over the earlier scheme of medical facilities managed by MTNL itself.

III. Implementation of fitment formula to benefit merger of 50% DA effectively amounting to 78.2% as on 1.1.2007.

Our point is, it is mandatory on the part of MTNL to implement the fitment formula as per Department of Public Enterprises OM No. 2(70)/03-DPE(WC)-GL-VII/09 dated 02.04.2009. MTNL took a position earlier not to implement this stating that BSNL proposal to implement this has not been approved by DOT. Now DOT has approved the BSNL's proposal on this issue vide DOT's No.61-01/2012-SU dated 10.06.2013. Therefore, MTNL should immediately seek approval of DOT to implement this provision in MTNL.

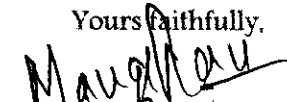
IV Payment of arrears of Pension Revision w.e.f. 1.1.2007 to the eligible pensioners who retired prior to 1.1.2007.


MTNL Corporate Office issued the Office Order vide MTNL/IRW/21(119)/2004/317 dated 01.10.2012 to implement the above mentioned pension revision in accordance to DOT letter No. 40-36/2011-Pen(T) dated 11.07.2012. Accordingly, revised pension is being paid from October,2012. But the arrears as accrued w.e.f. 1.1.2007 has not yet been paid. Earlier while seeking approval of the DOT, MTNL conveyed to DOT that the arrears would be paid in a stated staggering manner in view of dwindling financial position of MTNL. We would request in favour of immediate release of payments of arrears of pension revision to the eligible pensioners.

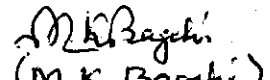
We would request you to kindly consider the issues stated above favourably and urgently.


Thanking you,

Yours faithfully,



(Manoj Kumar)
MTNL Staff Union
President/United Forum



(S. S. Nanda)
GS/RTCA


(M. K. Bagchi)
Convener/United Forum


(Poornam Dutta)
President/MTNLEHU

Shashi Sharma
(Shashi Pral Sharma)


(A. K. Kausik) (V.K. Tomar)
General Secretary/TEAM/MEA


(Satyavir Singh)
GS/MTNL KEU
R.S. ASAN
(Radhy Shyam Asan)
IGS MTNL V. SANGATHAN