

**Press Information Bureau
Government of India
Cabinet**

05-July-2016 17:20 IST

Cabinet approves Revision of pension of BSNL Pensioners Removing Anomalies

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the revision of pension of BSNL pensioners and family pensioners, who retired prior to 10.06.2013 by allowing the benefit of merger of 50% DA/DR with Basic Pay/ Pension, effectively amounting to 78.2% DA/DR for the purpose of fitment, and (ii) Modifying the liability of BSNL towards the payment of pensionary benefits to the retired employees.

The pension of BSNL pensioners/family pensioners, who retired prior to 10.06.2013 has been revised w.e.f. 01.01.2007 notionally with actual benefit w.e.f. 10.06.2013, by allowing the benefit of merger of 50% DA/DR with Basic Pay/ Pension, effectively amounting to 78.2% DA/DR for the purpose of fitment at par with the serving employees of BSNL. However, increase in the amount of DCRG, leave encashment and commutation of pension in respect of these pensioners shall not be increased on this account.

The pension liability in respect of employees of Department of Telecommunications (DOT) / Department of Telecom Services (DTS) / Department of Telecom Operations (DTO) who retired prior to 01.10.2000 is solely borne by Government of India and the BSNL will have no liability in respect of these employees. In respect of employees who are absorbed in BSNL, the liability on account of pensionary benefits shall be fully borne by Government while BSNL will continue to discharge pension liability by way of pension contribution in accordance with FR-116 for the period they so work/worked.

The revision entails an estimated recurring annual expenditure of approximately Rs 129.63 crore for pensioners and Rs 24.93 crore for family pensioners and arrears from 2013-14 would be Rs 239.92 crore approximately for pensioners and Rs 44.62 Crore approximately for family pensioners. Approximately 118500 pensioners all over India will be benefitted by this revision.

This revision will fulfill the long pending demand of revision of pension of BSNL absorbed employees who retired prior to 10.06.2013 and will bring the pensioners at par with the serving employees of BSNL by removing the anomalies. It will help in reducing the financial burden of BSNL and removing prospects of industrial unrest in BSNL while fulfilling the commitment of Government.

Background:

The decision of the Cabinet has come in the wake of an anomalous situation created in the difference of pension formula among the BSNL retirees who retired before and after 10.06.2013. Further, the decision regarding pensionary liability is on persistent demand from various quarters and a series of deliberations at different levels to fulfill the assurance given by the Government before corporatization i.e. before formation of BSNL.
