

RETIRED TELECOM OFFICERS' WELFARE ASSOCIATION

(Reg.No. GBBSD/MAHA.STATE. MUMBAI-1687/2008:)
REGD.ADD:-A-16,GIRIDARSHAN CHS., DD ROAD, MULUND W. MUMBAI-400080.
E-mail id :-rtowambi@gmail.com: Web Site:-rtowambi.in

K. JAWAHAR
PRESIDENT
9969596106

BADRI R. PATHAK
GENERAL SECRETARY
9869207950

P.D.PRADHAN
TREASURER
9969805533

Corr/2017/21

Dated 30th Oct'2017

To

Shri Manoj Sinha
Hon'ble, Minister of Communications,
105, First Floor Sanchar Bhavan, 20, Ashoka Road,
New Delhi -110001

Hon'ble Sir,

Subject: Revision of Pension of MTNL retirees, who are Central Civil Service Pensioners drawing pension from Government of India on combined service rendered in DOT and MTNL, under Rule 37-A of CCS Pension Rules 1972, in accordance with fitment formula given by the 7th CPC.

This is the fervent appeal of the pensioners to implement 'Revision of Pension' to the erstwhile Central Government Employees who retired after absorption in MTNL and in receipt of Central Government Pension on combined service under CCS(Pension) Rules 1972.

The MTNL retirees on combined service pension are governed by Rule 37A of Central Civil Services Pension Rules'1972 as amended from time to time and all the pensionary benefits are paid by Central Government.

Now Government has issued orders for revision of Pension of all Central government pensioners on acceptance of 7th CPC recommendations. But this decision for revision of pension has not been implemented to the combined service pensioners of MTNL though their pensionary benefits are paid by Government and debited to Central Civil Service Estimate 2071.01.101. A synopsis of the case is as under :-

1. THE FIRST REVISION OF PENSION :-

The first revision of pension of combined service pensioners was done effective from 01/01/2007 by MTNL on approval by the appropriate authority. The effective date 01/01/2007 is co-terminus with the date of pay revision of MTNL employees. The same fitment factor for revision of pay as recommended by 2nd PRC was applied for revision of pension, even though the 'pension of combined service pensioners' was not in the terms of reference to the 2nd PRC. The application of the same fitment factor for revision of pension might have been due the fact that the pensionary benefits were paid by MTNL from its funds to the combined service pensioners at that time and up to 31/03/2014. As pay of employees was revised pension of retirees also was revised by MTNL.

This scenario is changed now. On amendment to Rule 37 A of CCS Pension Rules'1972 vide Gazette Notification No.100 dated 03/03/2014, the Central Government has taken over the responsibility to pay the pensionary benefits of combined service pensioners of MTNL. Therefore now it is the responsibility of the Central Government to revise the pension of the combined service pensioners of MTNL. In favour of this assertion the justifications are as under :-

2. THIRD PRC HAS NO BEARING ON THE REVISION OF PENSION OF COMBINED SERVICE PENSIONERS OF MTNL :-

The pensionary aspects governed by CCS Pension Rules'1972 are not within the purview of 3rd PRC. The third PRC has dealt with the pensionary benefits of retirees of CPSEs who are not governed by Central Civil Services Pension Rules'1972. Rightfully the issue of 'revision of pension of MTNL pensioners on combined service' was not referred to the 3rd PRC.

Therefore neither the fitment factor for pay revision nor the conditions for pay revision recommended by 3rd PRC is applicable for pension revision of combined service pensioners of MTNL who are governed by CCS Pension Rules'1972.

3. Revision of Pension of Combined service pensioners of MTNL is not dependent upon the Revision of Pay of MTNL Employees:-

Revision of Pension is generally connected with Revision of pay. This generality holds good if the the governing authority of Pay and Pension and the Payment Source of Pay and Pension are same. This is not so in respect of Pay of MTNL employees and Pension of MTNL Pensioners on combined service.

Pay scales, Perks, Performance related pay and other service conditions of MTNL employees are governed by the recommendations of PRC. In contrast, the pension of all the Central Government pensioners as well as the combined service pensioners of MTNL are uniformly governed by CCS Pension Rules'1972, which are modified from time to time consequent upon the recommendations of the Pay Commissions. In brief, the pay of MTNL employees is a subject matter of Pay Revision Committees whereas all the pensionary aspects of combined service pensioners is a subject matter of Central Pay Commissions. The Pay of employees is paid by MTNL whereas the pension of MTNL combined service pensioners is paid by Central Government (D0T)

Moreover the Pay revision is subject to fulfilment of certain conditions including 'affordability' as prescribed by 3rd PRC. These conditions are not applicable to Pension revision as "pension revision" has not at all been referred to 3rd PRC.

Therefore, the revision of pension of combined service pensioners of MTNL is not dependent upon the revision of pay of MTNL employees.

4. PAY COMMISSIONS AND REVISION OF PENSION :-

All the accepted recommendations of 6th Pay Commission as well as 7th Pay Commission on all the pensionary benefits viz., Qualifying service, Pension, Family pension, DCRG, Commutation, minimum and maximum amount of pension / family pension etc have been made applicable to the combined service pensioners of MTNL with effect from 01/01/2006

and 01/01/2016 respectively. Only the revision of pension as recommended by 7th pay commission is not yet implemented for the combined service pensioners of MTNL.

Rule 37 A of CCS Pension Rules govern all the pensionary aspects of combined service pensioners of MTNL. This rule does not differentiate in any way the combined service pensioners of MTNL and other pensioners of Central Government. Therefore, the combined service pensioners of MTNL are entitled to the revision of pension and fitment factor for revision of pension as recommended by 7th Pay Commission.

5. FEATURES OF COMBINED SERVICE PENSION :-

Rule 37 A of CCS Pension Rules'1972 prescribes the terms and conditions for absorption in MTNL. Accordingly the services rendered under Government and the services rendered under MTNL have been combined to decide the qualifying service for pensionary benefits. As per the same rule the pension shall be paid by the Government and governed by the CCS Pension Rules'1972. The pensionary benefits shall be on the pay drawn on CPSE pay scales and the dearness relief shall be on IDA pattern.

These features as per the rules and do not negate the revision of pension to MTNL Combined service pensioners as applicable to other Central Government pensioners. This is further elaborated as under :-

6. DIFFERENCE IN DEARNESS RELIEF PATTERN HAS NO RELEVANCE TO REVISION OF PENSION :-

Dearness relief of Central government pensioners retired on government pay scales is on CDA pattern and that of MTNL Combined service pensioners is on IDA pattern. It is to be noted that both IDA and CDA formulas are based on the same CPI (IW) which is equal to 100 for the base year 2001. The difference in the CDA/IDA rates is mainly due to the different 10 year cycle for full neutralization. Therefore the different pattern of dearness relief has no bearing on the revision of pension of combined service pensioners of MTNL.

7. DIFFERENT TYPES OF PAY SCALES HAVE NO RELEVANCE FOR REVISION OF PENSION :-

Rule 37 A of CCS Pension rules'1972 does not differentiate pensionary benefits of those retired on government pay scales and those retired on CPSE pay scales or any other pay scales. There are some CPSEs which follow CDA pattern but not on the same Government pay scales. In other words, all the pensioners governed by CCS Pension Rules'1972, regardless of type of pay scales from which they retired, are entitled to the same pensionary benefits calculated in the same manner.

8. Moreover, MTNL has paid pension contribution to the Government for the period of service in MTNL calculated on the maximum of the CPSE Pay Scales of MTNL.

Thus the combined service pensioners of MTNL are entitled to pension revision with fitment factor as applicable to other central government pensioners.

9. FITMENT FACTOR :-

As per 7th Pay Commission, the fitment factor for pension revision is 2.57 times of basic pension. Excluding the CDA of 1.25 times from the 2.57 times the fitment factor is 0.32 times of basic pension. On similar lines, on merging the IDA of 1.195 times of basic pension on 01/01/2017 the fitment factor works out to 2.515 ($1+1.195+0.32=2.515$) times of basic pension. So the combined service pensioners are entitled to the fitment factor of 0.32 times of basic pension and on merging IDA, the fitment factor of 2.515 times of basic pension.

If fitment factor is reconsidered by Central Govt. for central Govt. retirees, the same may be calculated for MTNL retirees also.

10. DATE OF EFFECT OF PENSION REVISION :-

The dearness relief of combined service pensioners is on IDA pattern. The IDA/CDA is fully merged with Pay/Pension on revision and a new series of IDA/CDA starts. The last pension revision of combined service pensioners was done on 01/01/2007 merging the whole of IDA on 01/01/2007. The ten year cycle ends on 31/12/2016. The new series of IDA is effective from 01/01/2017. So the pension revision has to be effective from 01/01/2017 merging the IDA as on 01/01/2017.

11. CONGRUITY OF PENSIONARY BENEFITS BETWEEN THOSE RETIRED BEFORE AND AFTER 01/01/2017 :-

It is possible that the fitment factor for pay revision of MTNL employees effective from 01/01/2017 may either be more or less than the fitment factor of 2.515 for pension revision.

Suppose the fitment factor of pay revision is more than 2.515, the pensionary benefits of those retiring after 01/01/2017 after getting the pay revision will be more compared to the pensionary benefits of those retired before 01/01/2017 and got pension revision with fitment factor of 2.515. In that case even if it is less, the pensioners retired before 01/01/2017 may have no grouse as the pension revision is as per fitment factor as applicable to other Central Government pensioners.

Suppose the fitment factor for pay revision is less than 2.515, the pensioners retiring after 01/01/2017 i.e., after pay revision may have a grouse over the incongruity as the pensioners retired prior to 01/01/2007 will get comparatively more pension after revision. In that case it is suggested that the pensionary benefits of those retiring after 01/01/2017 should not be less than the presumptive pensionary benefits had the retirement took place on 31/12/2016.

12. SUMMARY of Justifications for Pension Revision as per 7th CPC -

1. MTNL Retirees on Combined service are a part of Central Government Pensioners. Their Pensionary benefits are governed by CCS Pension Rules'1972, which is subject to amendment from time to time as per the recommendations of Pay Commissions.
2. Their pensionary benefits are paid by the Central Government and debited to Central Civil Service Estimate 2071.01.101.
3. Eligibility for CGHS Medical Facility—MTNL retirees are being extended CGHS at par with Central Govt retirees and the CGHS contribution of MTNL retirees has also been revised along with other retirees due to implementation of 7th CPC.

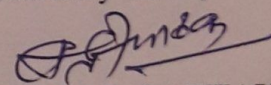
4. In lieu of services rendered under MTNL, pension contribution has been paid by MTNL to the Government calculated on the maximum of the MTNL Pay Scales.
5. Pay is paid by MTNL and Pension is paid by the Central Government. Pay is governed by recommendations of Pay Committee for CPSEs. Pension as per CCS Pension Rules is not within the purview of Pay Committee. Therefore pension revision of MTNL retirees on combined service is not dependent upon pay revision of MTNL employees.
6. The IDA/CDA is fully merged with Pay/Pension on revision and a new series of IDA/CDA starts. As the new series of IDA is effective from 01/01/2017 the pension revision has to be effective from 01/01/2017 merging the IDA as on 01/01/2017.
7. The combined fitment factor of 2.57 for revision of pension as per the orders on 7th CPC merging the CDA works out to 32% (Pay =1, DA=1.25, Fitment =0.32, total=2.57) of basic pension. So the combined service pensioners are entitled to the fitment factor of 0.32 times of basic pension and on merging IDA of 1.195 times, the fitment factor (1+1.195+0.32) works out to 2.515 times of basic pension. This factor may be recalculated if, Govt decides to revise the factor of 2.57 for other retirees.

Appeal :-

In view of the above submissions, your kind personal intervention is solicited to take urgent steps to issue orders for pension revision of MTNL retirees, who are Central Service Pensioners drawing pension from Government of India on combined service rendered in DOT and MTNL, on the lines of 7th Pay Commission recommendations.

With high regards

Sincerely Yours,


BADRI R. PATHAK
General Secretary

Copy to the following officers with a request to consider the appeal.

1. Ms. Aruna Soundararajan Chairman TC & Secretary (T), 210, Sanchar Bhavan
2. Shri. N. Sivasailam, Additional Secretary(T), Room No.318, Sanchar Bhavan
3. Sri. B.K. Mittal Member (Services), Room No.213, Sanchar Bhavan
4. Ms. Anuradha Mitra Member (Finance), Room No.212, Sanchar Bhavan
5. Shri. P.Purwar CMD MTNL Corporate Office, Doorsanchar Sadan, 9, CGO Complex, Lodhi Road New Delhi-110003.