

No. 40-12/2007-Pen. (T)
Ministry of Communications & IT
Department of Telecommunications

Sanchar Bhavan, 20, Ashoka Road,
New Delhi-110001

Dated: January 5, 2009

Subject : Pension liability of Bharat Sanchar Nigam Ltd. (BSNL) towards pensionary benefits including Family Pension to its employees – Regarding.

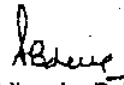
Reference this Department's letter No. 1-45/2003-B dated 15th June, 2006 on the above noted subject conveying the following position:-

(i) Annual pension liability of the Government in respect of employees who retired prior to 01.10.2000 and those who have worked/ are working in BSNL on deemed deputation and those who are absorbed in BSNL shall not exceed 60% of the receipt to the Government on the following items:-

- (a) Dividend Income from MTNL/BSNL
- (b) License fee from MTNL/BSNL
- (c) Corporate Tax/Excise Duty/Service Tax paid by BSNL

- (ii) Any amount exceeding (i) shall be borne by BSNL.
- (iii) Pensionary contribution from BSNL would be made to Government as per FR-116
- (iv) Employees recruited directly by BSNL on or after 01.10.2000 shall not be covered under this Section.

2. In this context, it is hereby clarified that the above-said limit of 60% is for normal funding. This does not in any way distract from the fact that the ultimate liability towards pensionary benefits including family pension to the BSNL employees (excepting those recruited after 01.10.2000), as per sub-rule 21 of Rule 37-A of CCS (Pension) Rules, 1972, lies with the Government of India. If BSNL, for any reason, is not able to contribute to the extent prescribed in para 1 above, the Government of India will still pay the admissible pensionary benefits including Family Pension to BSNL employees (excepting those recruited after 01.10.2000).


(Siddhartha Behura)
Secretary

To
The Chairman & Managing Director, Bharat Sanchar Nigam Limited, New Delhi-110001

Copy to: DDG(TPF)/DDG (Establishment)/DDG (SU)/DDG (Accounts), DoT