



No. 500-57/2008/BSNL/CA II/Vol III

Dated 22.12.2008

To

General Manager (Finance) / IFA,
All Telecom Circles,
BSNL.

CIRCULAR NO - 168

Sub: Implementation of 6th Pay Commission Recommendation –
Payment of Pension and Leave Salary Contribution.

1. Pension Contribution is payable by BSNL in respect of deemed deputationist of all categories of employees working in BSNL as per rates of contribution prescribed in the F.R. under Rule 116 & 117. These are calculated at the maximum of the scale of the post held by the official at rates varying with the length of service given in the Annexure (FRs 116 & 117). Leave Salary Contribution is payable at 11% of the pay drawn as per FRs 116 & 117.

2. Now, the pay of these employees has been revised in accordance with the order issued by the Government based on 6th Pay Commission Recommendation. In the revised pay structure erstwhile pay scale relating to a particular grade has dispensed with and the concept of Pay Band and Grade Pay has been introduced which consists of several grades clubbed together in it. As per the order, revised pay of the employees has to be placed in the specific Pay Band plus he will draw grade pay as fixed for this purpose. All categories of deemed deputationists working in BSNL are now drawing revised pay in CDA scale.

3. Leave salary contribution is payable @11% of the pay drawn by the employee working in BSNL on deputation basis. Now, as per FR 21 (a) (iii), any emolument which may be specially classed as pay by the President is defined as Pay for all purpose. Accordingly, payment of Leave Salary Contribution is required to be made on Basic Pay plus applicable Grade Pay since implementation of revised pay structure in CDA scales.

4. Pension Contribution under FR 116 & 117 is based on the maximum of Pay Scales of the Particular grade. Since introduction of revised pay structure in CDA scale, pay is being fixed on Pay Band which consists of several Pay Scales clubbed together in it. Accordingly, the matter has been referred to the DOT on 03.10.2008 (copy enclosed) to issue necessary amendment / modification to the provision contained in FR 116 & 117 viz Pension Contribution and Leave Salary Contribution. It is reported by the DOT vide their letter dated 23.10.2008 (copy enclosed) that they have again referred the matter to DOP&T for clarification on this issue. Till the clarification is received from them, all the circles should remit the Pension Contribution on the maximum of Pay Band of the post held by the officials (excluding Grade Pay) upholding the concept of provision under FR 116 & 117 in letter and spirit.

5. Therefore, it is emphasized that in respect of all the employees who are drawing their pay in CDA scales, Pension Contribution and Leave Salary Contribution should be paid on revised Scale/Pay in the manner as mentioned in para 3 & 4 above. This should be ensured that the payment would be made only for that period for which the employees have worked in BSNL after 01.01.2006 and in no circumstances non-working period in BSNL after 01.01.2006 or served in any other organization should be considered for remitting the Contribution. At the same time it should also be ensured that Leave Salary Contribution and Pension Contribution based on revised scale may kindly be paid promptly. All the concerned units of your circle where from the contribution is being remitted to CCA should also be suitably instructed to follow the above guidelines in to- to till the clarification from the DOT is received by this office.

Enclo : As above.

(P. K. Purwar)
GM (CA)

CORPORATE ACCOUNTS SECTION
1st FLOOR, Bharat Sanchar Bhawan
H.C.Mathur Lane, Janpath
NEW DELHI – 110 001 .
TEL:2373 4163, 2373 4164 (fax)



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

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(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
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No. 500-57/2008/BSNL/CA II/Vol III

Dated 03.10.2008

To
The DDG (Accounts)
Department of Telecommunication,
Sanchar Bhawan, 20, Ashoka Road,
New Delhi – 110 001.

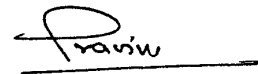
Sub: Implementation of 6th Pay commission Recommendation –
Payment of Pension and Leave Salary Contribution.

Pension Contribution is payable by BSNL (both for deemed deputationists of all categories as well as the absorbed employees of BSNL) as per rates of contribution prescribed in the F.R. 116 & 117. These are calculated at the maximum of the scale of the post held by the official at rates varying with the length of service given in the Annexure (FRs 116 & 117). Leave Salary Contribution is payable at 11% of the pay drawn, as per FRs 116 & 117 in respect of deemed deputationists working in BSNL.

In the case of certain officials in BSNL who are working on deemed deputation, pay has been revised in accordance with the order issued by the Government based on 6th Pay Commission Recommendation. In the revised pay structure erstwhile pay scale relating to a particular grade has dispensed with and the concept of Pay band and Grade Pay has been introduced which consists of several grades clubbed together in it. As per the order, revised pay of the official has to be placed in the specific Pay Band plus he will also draw grade pay as fixed for this purpose. All categories of deemed deputationists working in BSNL are drawing pay in CDA scale.

It may be mentioned herein that Pension Contribution under FR 116 & 117 is based on the maximum of Pay Scale of the particular grade. As now pay is being fixed not on a scale but on pay band which consists several pay scales clubbed together in it, it is therefore, imperative that erstwhile formula for calculating pension contribution under FR 116 & 117 requires a change to make the same logical and equitable. It is, therefore, requested to issue necessary instruction regarding the new rates of contribution to be applicable for both Pension and Leave Salary Contribution and also the basis on which those contributions are to be levied in respect of the employees working in BSNL on deemed deputation.

An early action in this regard is appreciated.


(P. K. Purwar)
GM (CA)

Copy to :

- 1) DDG (Establishment), Department of Telecommunication, Sanchar Bhawan, New Delhi – 110 001, for early issue of necessary clarification.
- 2) DDG (Estt.), BSNL, CO., New Delhi, for kind information.



GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATION AND I.T.
DEPARTMENT OF TELECOMMUNICATION
20, ASHOKA ROAD, SANCHAR BHAWAN, NEW DELHI 110001.
(TA-I SECTION)

No: 7-45/2008/TA-I

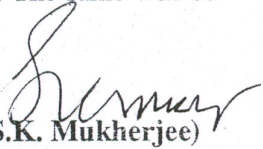
dated 20.10.2008.

To
The General Manager(CA),
B.S.N.L
Janpath Lane
New Delhi-110005.

**Sub: Implementation of 6th Pay commission Recommendation Payment
of Pension and Leave Salary Contribution.**

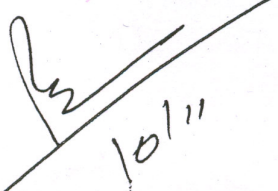
Kindly refer to your office letter no 500-57/2008/BSNI/CAII/VolIII dated 03.10.2008 on the subject cited above.

The case has been sent to Department of Personal and Training to examine the above subject and issue necessary amendment/modification to the provision contained in FR116 & 117 viz Pension Contribution and Leave Salary contribution. The same will be intimated to your office on receipt of the decision from DOP&T.


(S.K. Mukherjee)

Asstt. Director General(DCA)
Ph-23036060

Agm [CA-II]


10/11