

A REPORT ON WAGE NEGOTIATIONS HELD ON **17-11-2009 AND 19-11-2009**

Wage Negotiation Committee Meeting held on 17-11-2009: - In this meeting an understanding was reached between the Official Side and Staff side as below:

- (a) Periodicity of the revised pay scales for non-executives will not be mentioned. Next wage revision for non-executives will be along with executives.
- (b) Fitment benefit of 30% on pay+68.8% DA.
- (c) Increase of fitment benefit on 68.8% to 78.2% will be considered for both executives and non-executives simultaneously.
- (d) Annual increment at 3% on basic pay.

Wage Negotiation Committee Meeting held on 19-11-2009: - The issue of revised pay scales for non-executives was discussed.

Management side proposed as below:

- (a) As per the promotion policy of non-executives, the highest scale of non-executives is 9850-250-14600, and it is equal to E1A(JTO) pay scale of executives.
- (b) The E1A pay scale of executives was proposed to be revised from 9850-250-14600 to 18850-40500. The increase of 9850 to 18850 at minimum level in this revision was $(18850/9850)=1.91$ times. Therefore the minimum of the revised pay scales for non-executives has to be arrived at by multiplying the existing minimum of the pay scale with this multiplication factor of 1.91 and on this basis the management side suggested the pay structure, although it was not a concrete proposal from their side, and meant only for helping the discussion.
- (c) The management side further told that BSNL has to pay pension contribution for each of the employee depending on the maximum of the pay scale of the employee. Therefore to reduce the expenditure to BSNL on account of pension contribution, the span of the pay scale is to be reduced so that the maximum of the pay scale will be less. Since as per the new promotion policy agreement, every employee will get promotion on completion of 4 to 8 years in a pay scale, reducing the span will not result in any problem to the employee.

The Union proposed as below:

- (a) In the exploratory meeting of the wage revision committee held on 11-1-2008, the management side said that as far as possible, the multiplication factor based on the report of the sixth pay commission would be kept in view while deciding the multiplication factor for the wage revision of BSNL Employees. As per the orders issued by the Government for revising wages of Central Government employees based on Sixth Pay Commission recommendations, the minimum pay was revised from Rs 2550 to Rs 5740, an increase of 2.25 times. Therefore this multiplication factor has to be applied in deciding the minimum of the revised pay scales.
- (b) At present the span of the existing pay scales is 15 years. But even with this 15 years span, there is the problem of stagnation in certain pay scales. Therefore, while it is desirable to reduce the span of the pay scale for reducing the pension contribution expenditure, this problem of stagnation has to be kept in view. Even when the

promotions are granted on completion of 4 to 8 years service in the pay scale as per the new promotion policy, the stagnation will still be there even if the span of the pay scale is 15 years. Therefore this aspect has to be taken into consideration.

- (c) The Union side further pointed out that in case of executives, the span of the pay scale is more than 20 years and hence this aspect also has to be taken into consideration.

The management side told as below:

- (a) With 2.25 multiplication factor, or any thing more than 1.91, the minimum of the 9850-250-14600 applicable to non-executives as per their promotion policy would be more than the minimum of Rs 18850/- proposed for the E1A pay scale of executives, and it is not possible as per DPE guidelines.
- (b) Now that the comparison is with executives in PSUs, the multiplication factor applied in Central Government has no relevance. It is to be decided based on the multiplication factor applied for executives.
- (c) The span of the pay scale can be decided keeping the problem of pension contribution as well as stagnation in view and concrete cases can be examined to decide this issue.

It was decided to have further discussion in the next meeting.

Informal discussion on 20-11-2009

In the informal discussion that took place on 19-11-2009, the Union side reiterated its demand for multiplication factor of 2.25 and management side reiterated its stand that the comparison has to be with BSNL executives only.

The Union further said that with 30% fitment benefit on pay+68.8% DA, the pay of the official appointed as RM on 1-12-2006 at Rs 4000/- minimum pay in the RM pay scale will be revised to Rs 8780/- where as for the RM recruited on or after 1-1-2007, the minimum pay in the revised pay only will be given and with 1.91 multiplication factor, it will be Rs 7640/- only and such a discrimination between those recruited before 1-1-2007 and those recruited on or after 1-1-2007 is untenable as per the article 14 of the Constitution.

The official side replied that there is no discrimination since the official recruited before 1-1-2007 is senior to the official recruited on or after 1-1-2007 and in any case in case of executives also the position remains the same in their wage revision.

The Union said that in case of executives, at the minimum level scale(JTO) the multiplication factor was 1.91 whereas at the maximum pay scale level(CMD) it was 2.88 and hence average of this i.e. 2 can be agreed as the multiplication factor for non-executives.

The official side said in the informal discussion views can be exchanged and for any multiplication factor beyond 1.91, the decision can be only in the formal meeting.

A concrete case of stagnation was brought to the notice of the official side in this meeting by the Union and it was suggested based on this case that the span of the scale has to be 20 years to avoid stagnation. The official side said this aspect has to be further examined since for every increase of Rs 100/- in the maximum of the pay scale, the pension contribution expenditure for BSNL will increase by Rs 200 crores. The Union again reiterated that it is necessary to avoid stagnation and the length of the pay scale should be decided keeping this in view.

Further discussion on the issue of revised pay scales will be held in the next meeting to be held in next week.
