

# KARMACHARI SANGHATANA

Agenda No. 99.10

Subject : Changes in DPE guidelines Dated 03.08.2017

Submitted For : Perusal

## 1.0 Background:

- 1.1 The present PRBS scheme has been formulated as per DPE guidelines dated 26.11.2008, 02.04.2009 & 21.05.2014 issued for pay-revision of CPSEs w.e.f. 01.01.2007.
- 1.2 The new pay revision guidelines for CPSEs w.e.f. from 01.01.2017 have been issue by DPE Vide OM No.W-02/0028/2017-DPE(WC)-GL-XIII/17 Dt.03.08.2017 (Annexure No. 99.10.1)

## 2.0 Changes in new DPE Guidelines Dt. 03.08.2017

Clause 12.2 of new DPE guidelines Dt.03.08.2017 is given as under:

**"The existing requirement of superannuation and of minimum of 15 years of service in CPSE has been dispensed with for the pension."**

However, the relevant DPE guidelines dated 21.05.2014 (Annexure No. 99.10.2) on introduction of Pension scheme in CPSEs are as under:

Relevant Clause no.	DPE guidelines Dt. 21.05.2014	Remarks
vii)	An Employee should have put in a minimum of 15 years' service rendered in continuity in CPSE(s) at the time of superannuation, and benefit would be allowed by a CPSE from where the incumbent has superannuated.	New DPE guideline Dt.03.08.2017 (Clause 12.2) has removed the condition of minimum 15 years of service.
ix)	As regards, Board level executives, who are contractual appointees, they too can enjoy the benefits under these Schemes provided their total period of service rendered in continuity in CPSE(s) including the period at Board level in a CPSE is not less than 15 years, at the time of superannuation.	New DPE guideline has removed the condition of minimum 15 years of service.
x)	In the event of any employee resigning from the services of ONGC and joining another CPSE having broadly similar schemes, the entire amount of employer's and employee's contribution along with	New DPE guideline has removed the condition of superannuation, however it is not clear whether resignation cases will now be eligible for pension or they will be dealt of DPE guideline Dt. 21.05.2014.

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	interest accrued thereon shall be transferred to such CPSE. However, employees who resign from ONGC to join another CPSE, not having similar schemes, or any organization not being a CPSE (irrespective of whether such scheme exists in that organization), shall not be allowed the benefit of transferring their accumulated fund under these schemes. However, the employee's contribution along with accrued interests shall be refundable to the employees.	
xvi)	In case of resignation (excluding resignation covered under 'technical formality clause') and compulsory retirement, removal, dismissal because of disciplinary proceedings, the annuity would be based only on members' contributions, if any and interest thereon.	Clarity is also required in cases of compulsory retirement, removal, dismissal because of disciplinary proceedings and whether employee will be eligible for his own contribution or for employer's contribution also.

### 3.0 Issue under consideration

3.1 The new DPE guidelines dated 03.08.2017 are clear on the issue of requirement of 15 years of service and it can be inferred that:

- Any person who joins a CPSE even after 45 years of age (less than 15 years of service remaining) will now be eligible for the pensionary benefits and
- In case of ONGC, employees who have rejoined ONGC and had less than 15 years of remaining service will also now be eligible for the pensionary benefits.

However, removal of condition of superannuation needs clarification with respect to following:

- The position of DPE is not clear on the resignation cases and whether above referred clause no. (x) & (xvi) of DPE guidelines Dt. 21.05.2014 are still applicable.
- Clarity is also required in cases of compulsory retirement, removal, dismissal because of disciplinary proceedings and transfer of funds to other organizations that are not CPSEs.
- The complications will also arise in cases of employee who joined ONGC before 01.01.2007 and had more than 10 years of service but less than 15 years of service. Such employees were members of earlier PRBS scheme (Defined benefit) but were not made member of the defined contribution scheme after 01.01.2007 as they had less than 15 year of service. Now such employees who are still in service will again be eligible for membership after 01.01.2017.

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## **4.0 Proposal**

In view of the above changes in DPE guidelines, the Board of Trustees may kindly guide on the course of action to be taken for resolving the above issues.

Submitted for kind perusal please.



(Bhaskar Gupta)  
**Executive officer-PRBS Trust**