



PAKISTAN AIRLINE PILOTS' ASSOCIATION

AFFILIATED WITH :
INTERNATIONAL FEDERATION OF AIR LINE PILOTS' ASSOCIATIONS &
INTERNATIONAL TRANSPORT WORKERS FEDERATION.

INFO

ALL PALPA MEMBERS:

December 10, 2007.

السلام و عليكم

I would like to apprise you of the status of the negotiations with regard to revision of pension rates that the pension committee has been having with the Management to date.

The then DMD of Pakistan International Airlines signed minutes of a meeting held with PALPA on 18th November 2005, clause 3(b) of which resolved to sort out the pension issue of pilots **within 4-6 weeks**.

Though the pension issue was being handled by the previous PALPA Executive Committee as well, it is being vigorously taken up by the present PALPA Executive Committee, specially after the issue of the Management's own Circular No. 31/2007 dated 24th March 2007 giving a **deadline of 23rd April 2007** to sort out the issue.

This deadline passed over seven months ago.

A Pension Committee was formed to deal with the Management, which included the Vice President, the General Secretary and the Treasurer as its members.

Three formal meetings, many informal meetings, and a lot of correspondence have since ensued. We have now got bogged down because of the Managements reluctance to accept our genuine demands which we have toned down to only rationalisation, and no increase whatsoever.

The Management's concern is the impact on the fund. We are aware that the pension fund can easily absorb this impact.

In any case these anomalies have been created by the Managements own policies in the first place, and the longer it takes to rectify these, the more the impact will be, and consequently all the more difficult to resolve.

Following is a brief summary of our case:-

1. The Management issued Admin Order 08/2004 dated 3rd March 2004 revising the pensionable elements of the Cockpit Crew from 100% to 80% **effective retrospectively** i.e. 1st January 2003.

In affect that meant that pilots retiring after 1st January 2003 got less pension than those retiring before 31st December 2002, with the same years of service.

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(2)

This Admin Order is in itself illegal since pension cannot be arbitrarily reduced like this, and also because you cannot issue an order dated 3rd March 2004, effective 1st January 2003.

PALPA objected to this via their letter No. PALPA/G/35/207 dated 26th July 2004.

Recognising that this Admin Order is likely to be thrown out if challenged in a Court of Law, the Management has now agreed to sort out this anomaly.

2. The second anomaly which needs to be sorted out is the rate (percentage) of pensionable elements applicable to the revised salary structure effective 1st April 2006. ***It was 100% till 31st December 2002 and reduced to 80% by the illegal Admin Order dated 3rd March 2004, though no salary re-structurisation of the pilots had taken place unlike other cadres in the airline.***

Irrespective of the percentage, we are concerned with the net amount the percentage converts into.

We are asking for a percentage corresponding to the net amount valid till 31st December 2002, whereas the Management wants to give us an amount equivalent to the calculations based on the illegal Admin Order No. 08/2004 dated 3rd March 2004 and effective retrospectively i.e. 1st January 2003.

In other words, what it amounts to is whereas they want to sort out the anomaly till 31st March 2006, they want to create another one beginning 1st April 2006 when the new salary structure took effect.

3. The third anomaly is that the trust deed is very clear that pension has to be calculated **specifically** on the last drawn salary. Right now, this is not being followed.

The pension issue has been pending for the last 5 years. Any agreement now is not likely to be re-negotiated for the coming five years at least. We are not asking for any increase, only rationalisation. The more this is delayed, the more the impact will be to the airline when the issue is finally sorted out.

The primary job of the members of the pension committee is to fly. It is not easy to manage to make all of them available due rostering difficulties at any given time, but then the Management gives us low priority.

MAYBE they are stalling for the tenure of the present Executive Committee to expire in about two months time, so that dealing with the new Executive Committee, due in mid February next year, after the latter have settled down, will give them some respite.

The Pension Committee is very clear that their demands are very genuine and that they have reached their bottom line with no further room for compromise. Anything less will amount to short changing the pilot community.

Thanking you,

Yours sincerely,

Capt. Nayyer Nazir
VICE PRESIDENT