

Extracts from Action Taken Report on BRPSE recommendations

BSNL No.1-207/BRPSE/2010-CP&M dated 19.5.2011

**Recommendation 3 (Para 2.18 (iii)):**

*"BSNL may include VRS plan to rationalize the manpower at worker and management level and also sources for funding its VRS plan. Steps may also be taken to reduce the cost on maintenance of infrastructure and capitalize its surplus assets including land and buildings."*

**Action Planned /Proposal for VRS in BSNL**

Though the Unions and Associations in BSNL have always opposed VRS scheme, there is an urgent need for giving some attractive opportunity to those who are voluntarily wanting to take retirement to create win-win situation both for the employee and the organization. An alternate VRS scheme, which is different from the DPE suggested schemes, is also being examined. Details of the two schemes are as follows:

**DPE Scheme (Option 1)**

DPE scheme for VRS in Enterprises that make marginal profits or loss-making Enterprises, known as the Gujarat Scheme, is as follows:

- a. The compensation will consist of salary of 35 days for every completed year of service and 25 days for the balance of service left until superannuation. The compensation will be subject to a minimum of Rs.25,000/- or 250 days salary whichever is higher. However, this compensation shall not exceed

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the sum of the salary that the employee would draw at the prevailing level for the balance of the period left before superannuation.

- b. Salary for the purpose of VRS will consist of basic pay and DA only.
- c. Arrears of wages due to revision etc. will not be included in computing the eligible amount.
- d. Payment of bonus should conform to the provisions in the Bonus Act; Casual Leave may be encashed in proportionate measure up to the date of VRS.

### Alternate Scheme of BSNL (Option 2)

- i. The scheme will be open to all employees (executives and non-executives) more than 55 years of age.
- ii. With a view to make the scheme attractive, the employee opting for VRS will be given advance increments notionally on the date of retirement, in the scale of pay being drawn by him/her which he/she would have earned in the normal course till the age of superannuation. Here, normal means only those increments he/she would have earned in his existing pay scale without taking into consideration any extraneous factors like possible time bound/post based promotions, comparison with junior, etc. To illustrate the point, an employee opting for VRS after completing the age of 56 may be offered 3 additional increments of pay, if he/she is not stagnating, otherwise stagnation increments due may be added on the date of retirement under VRS scheme.
- iii. The notional pay so fixed will be counted for the purpose of pensionary benefits and other benefits such as leave encashment, TA etc.
- iv. The notional increments granted will be granted by BSNL as a special case for the purpose of VRS. No additional pension contribution will be given by BSNL to DOT for the normally remaining service of the employee seeking VRS.
- v. VRS will be open to all, i.e. without any restriction of Service, Group or Grade. The Management however, will reserve the right to accept or reject any application without assigning any reason thereof.

### Funding for VRS implementation in BSNL

DPE guidelines [OM No.2 (32)/97-DPE (WC) GL-XXII dated 5th May 2000] provide for budgetary support from the Govt. to the marginally profit or loss making enterprises for VRS implementation. In view of BSNL's current financial situation, financial liability of VRS implementation may be borne entirely by the DoT including leave encashment under option 2 above.

The DoT may give its approval to the proposal (Option 1 or Option 2) in principle after which discussions will be held with all stakeholders including the Associations and the Unions for finalizing the scheme.