

To be, or Not to be

– an analysis of BSNL VRS 2019

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When VRS was first mooted in BSNL in the year 2011, AIBSNLOA had taken a considered stand that “Any responsible trade union/association should analyse the proposal taking into account the background and all the relevant facts and should face the challenge squarely, instead of merely recording the protest and allowing things to flow out of their control, without benefiting anyone. The leadership should be bold enough to work out solutions without token opposition and should ensure that the VRS optees are not at the mercy of the Management and those remaining after VRS do not face undue hardship.” The AIC of AIBSNLOA held at Chennai in February 2019 reiterated the stand. There is no change in the stand even today. But the nature of the VRS and situation in which VRS is being offered today are entirely different.

As we had many times reported in our website, the Mind Game had started long back, culminating in the delay in salary payment month after month. Employees were being mentally prepared for taking VRS in huge numbers. Everyone started longing for the scheme to be announced. Talks of 125% ex-gratia filled in the media and social media with great fanfare. But like an anti-climax, when the clauses of the scheme were unveiled, to everyone’s shock, it turned out to be a 75% and less ex-gratia than the one available under Gujarat Model. As usual, the bureaucracy in the corridors of Powers-that-be, succeeded in tweaking the Gujarat Model of VRS so that the BSNL and MTNL employees are denied an honourable exit package. They have also been successful in making the Government believe that this is an ‘attractive’ package.

No one would have ever imagined that the Pension payable during the remaining period of service till the actual date of retirement, will be dragged in as a factor to calculate the ex-gratia. After calculating the ex-gratia as per Gujarat Model by restricting it to the salary for the remaining period of service or the sum arrived at by adding the 35 days’ pay plus DA for completed years of service and 25 days’ pay plus DA for the remaining years of service, clause 6.1 (c) further restricts the ex-gratia to the amount which taking together with total amount of pension (Basic Pension without commutation plus Dearness Relief as on the date following the effective date of voluntary retirement) he/she would be drawing for the balance period left till date of superannuation, does not exceed 125% of the sum of salary at prevailing level that the employee would have drawn till superannuation from the effective date of VRS.

To simply put it, the difference between 125% of remaining period salary and the ex-gratia calculated already under Gujarat Model + pension payable during that period, will be deducted from the already arrived at ex-gratia under Gujarat Model. Result, your pension for the remaining period, which is 50% of remaining period of salary is used to further restrict your ex-gratia to 75%, which was earlier equivalent to 100% of remaining period salary. We do not know what is the logic behind the 125%. Why was it not 150% or 175%?

Some people argue that other PSUs do not have pension and therefore to equate with them, our ex-gratia is curtailed. They forget that the Government orders on Special VRS to Central Government employees vide No.25013/6/2001-Estt.(A) dated 28th February 2002 states clearly that “the ex-gratia amount should not exceed the sum of the basic pay plus DA that the employee would draw at the prevailing level for the balance of the period of service left before Superannuation” and does not further restrict the ex-gratia taking into account the pension payable to them.

Another argument put up by some people is that as Government is paying our pension, this restriction is justified. Again, they forget that BSNL is paying pension contribution to the Government in respect of its absorbed employees and in excess of what it is required to pay, under FR 116. Government is supposed to act as a model employer and not as a pawn broker.

Further, the approved BSNL VRS 2019, provides to defer payment of the DCRG for 5 years or till attaining the age of 60, whichever is earlier, of course with a simple interest @ prevailing GPF rates.

The employee opting for VRS can opt for and get Commutation of Pension only after the year 2025 or on attaining the age of 60 years, whichever is earlier.

Any pensioner, not to speak of VR Pensioner, depends upon the interest he receives from fixed deposits he makes, using the commuted portion of pension and DCRG in addition to the GPF accumulations and encashed leave if any, to meet the 50% shortfall in his earnings after retirement. Under the BSNL VRS 2019, the voluntarily retired pensioner will have only the ex-gratia amount, less 30% income tax over Rs.5 lakhs ex-gratia, for such deposit. Many non-executive employees have taken loans for lakhs of rupees in both Banks having MOU with BSNL and the Telecom Societies. If that too is deducted, he will virtually have nothing to deposit. The age 50 to 60 presents us with a series of personal obligations like children’s education and marriage. Financial assistance is easily available while in service than after retirement.

Given the very low rates of interest for fixed deposit in banks, presently hovering over around 6%, the interest income, that too taxable, will also be less. Also, these VRS optees will not get the additional 0.5% interest available in banks to senior citizens. However in senior citizens’ scheme in Post offices and in some PSU Banks, though the scheme is only for senior citizens of 60 years and above in general, in case of VRS optees it permits the deposit in the scheme for those aged at 55 and above of course with certain limitations and conditions. However even here those at the age group of 50 to 55 cannot avail the same though they are also in the target zone of the present VRS scheme.

No one, including those taking VRS at the highest level of E6 scale, will get anywhere nearer to the full pay plus DA he was drawing before voluntary retirement, even after taking into account the income from interest on deposits. An analysis done by Com.S.Ratnasubramanian, Patron, AIBSNLOA, reveals that only in the case of those at the age of more than 55 (i.e., 56 to 59) the ex

gratia works out to 75% of their pay of the remaining period of service. For those at the age of 50 to 55 it is still less, especially at the age of 50 for some, the ex gratia payment works out to just 31 % of pay for the remaining period of service. According to him, the VRS offered in the year 2011 was far more beneficial than the present one and that those who opposed VRS at that time and are to be blamed for that, now stand as silent witnesses to all that is happening today.

Despite all these drawbacks in the BSNL VRS 2019, nearly 22000 employees and executives have reportedly opted for VRS till today evening. It is a fact that thousands, particularly the Executives, have already voluntarily retired during the past few years, without waiting for any ex-gratia. Unbearable work pressure, unhelpful work environment, conflict of interest in the field due to the Management-introduced animosity among Executive associations, growing favouritism and violation of rules, compulsion to pay from own pocket for official work without any hope of reimbursement had already pushed many executives to the brim. Others were only waiting for the opportunity.

Non-executives started to feel the pinch after delay in salary payment for subsequent months, non-credit of their recovered bank/society loan instalments, society subscription, insurance premia and resultant mental tiredness.

The fear of the unknown – what will be the workload post-VRS, whether there will be transfers, whether BSNL will actually be revived after VRS, whether there will be reduction in retirement age, whether BSNL will continue as a Government company – is the main cause for a bulk of others willing to go on VRS. No one, including the Management, appears to have an answer for all these questions. Workload is not new to our people and no one can shoulder more workload than what they are shouldering now. After working in so many challenging situations, working in the new situation cannot be a problem. So, this may not be the real concern. But the fear of transfer is real, as all of us treat transfer as more than any punishment.

As far as the question of pension revision of VRS optees, according to law, pension revision for them will happen along with other pensioners, from the same date and with the same fitment formula the pay of the serving employees is revised. Anything said contrary to this are all rumours. The demand for pay revision before VRS is based on an unfounded understanding. Those who could not clinch pay revision all these years, now demanding pay revision, at least with 0% fitment, therefore lacks any credibility. DPE guidelines do not provide for 0% fitment. Even for argument sake, if it is taken that 0% fitment is given, there will be no change in basic pay plus DA and as such no change in ex-gratia. And there will be no pension revision, as fitment is the only benefit the pensioners will have.

We believe that BSNL employees are prudent enough to study all the pros and cons and take a decision on their own, according to individual perception of the issues and personal situation they are in. **Let the decision be based on economic considerations as well rather than fears and apprehensions. After all, VRS brings emotional and social issues along with it, which one would have never even imagined of. Unlike the Management which always takes decisions without a plan for the future, we should have a concrete plan for the remaining period of service.**

Particularly, those who are in the age group of 50 to 55, having longer years of service remaining, have to be extra judicious.

We do not think that the Government will bring any major change in the present scheme. However, as a practical and realistic association with no illusions and pretensions, we should keep drawing attention of the Government about the ground realities and strive for changes howsoever it may appear to be small, like depositing the accrued interests from DCRG to the pension account of the VRS pensioner quarterly, cutting down the number of years it is frozen, collecting option for pension commutation at the time of VRS even if actual commutation is allowed later and petitioning the Government for relief in Income Tax.

“To be, or not to be, that is the question.” This is a famous quote from **William Shakespeare’s** play Hamlet.

The question before the BSNL employees today is the same.

To be, or Not to be.

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