

## **VOLUNTARY RETIREMENT SCHEME FOR BSNL/MTNL EMPLOYEES**

### **1. SHORT TITLE**

This scheme shall be called the 'BSNL/MTNL Voluntary Retirement Scheme - 2019'.

### **2. OBJECTIVE**

The scheme aims at optimising and right-sizing of Human Resource of BSNL/MTNL by providing attractive benefits to the eligible employees opting for voluntarily retiring before the normal date of superannuation.

### **3. DEFINITIONS**

In this scheme, unless the context otherwise requires,

- (a) "Absorbed employee" means a Government servant permanently absorbed in BSNL/MTNL.
- (b) "Controlling Officer" means the officer of the rank of SDE/Dy. Manager (or equivalent) or above under whom the employee is posted.
- (c) "Competent Authority" means appointing authority for respective category of employee as per rules of BSNL/MTNL.
- (d) "Date of Superannuation" for purpose of this scheme means the date of Superannuation as per existing rules considering 60 years as the age of superannuation.
- (e) "Direct Recruit" means an employee directly recruited by BSNL/MTNL on or after 01.10.2000/01.04.1986.
- (f) "Effective date of Voluntary retirement" means the date as stated in Clause 4.
- (g) "Eligible Employee" means an employee who is eligible to opt for voluntary retirement as per the eligibility criteria of this Scheme as defined in Clause 5 and shall include all eligible BSNL/MTNL employees on sabbatical leave, deputation to other organisation or posted outside BSNL/MTNL on loan basis on the date of notification of the Scheme.
- (h) "Existing Rules" means BSNL/ MTNL's Rules in force as on the date of notification of this Scheme or Govt Rules as applicable to BSNL/MTNL' employee.
- (i) "Family" means family as defined in the CCS Pension Rules, 1972.
- (j) "Salary" means Basic Pay plus Dearness allowance thereon as applicable on the effective date of Voluntary retirement.
- (k) "Service" means the length of service qualifying for payment of Gratuity under CCS Pension Rules 1972 or BSNL/MTNL Gratuity Trust Rules, as applicable to the employee concerned.
- (l) "Scheme" means 'BSNL/MTNL Voluntary Retirement Scheme -2019'.

#### 4. OPERATION OF THE SCHEME:

Effective date of Voluntary Retirement under this scheme shall be 31-01-2020. The Scheme shall come into force from the date of issue of notification inviting option for voluntary retirement under the scheme and shall remain in operation as per the dates mentioned below:

- (a) Date of start of option: 04-11-2019
- (b) Date of closing of option: 03-12-2019 up to 05:30PM.

#### 5. ELIGIBILITY CRITERIA:

All regular and permanent employees (both absorbed employees and direct recruits) of BSNL/MTNL including those on sabbatical leave, deputation to other organisation or posted outside BSNL/MTNL on loan/informal basis on the date of notification of the option for voluntary retirement under the Scheme, aged 50 years or above as on the notified effective date of voluntary retirement shall be eligible to seek voluntary retirement under this Scheme.

Explanation: Employees belonging to the following categories shall not be eligible to seek voluntary retirement under the Scheme:

- (i) Government employees/ employees of other organisations working in BSNL/ MTNL on deputation/ deemed deputation/ loan basis.
- (ii) Employees whose services are permanently transferred in public interest to Central/ State Government/ Autonomous Bodies/ Public Sector Undertakings or other entities.
- (iii) Employees permanently absorbed in other organisation before the Scheme comes into force.
- (iv) Casual Workers and Contractual employees.
- (v) Employees retired/ retiring on superannuation/ resigned from service/ voluntarily retired under existing rules on or before effective date of voluntary retirement notified under the Scheme.

#### 6. BENEFITS

An eligible employee voluntarily retiring under the Scheme shall be entitled to the following benefits:

##### 6.1 Lump-sum compensation or Ex-Gratia

- (a) The amount of Ex-Gratia will be equal to 35 days salary for each completed year of service plus 25 days salary for every year of service left until superannuation. However, this Ex-Gratia compensation shall not exceed the sum of salary that the employee would draw at the existing level (i.e. Basic Pay plus Dearness Allowance on the effective date of Voluntary retirement) during the service period left till superannuation from the effective date of VRS, further subject to provisions in clause 6.1(c) & 6.1(d).
- (b) For the purpose of calculation, salary per day shall be equal to monthly salary divided by 30 days. For fraction of a year of service rendered / left, calculation of Ex-Gratia will be made on pro-rata basis.
- (c) **Payment of Ex-gratia to combined service pensioners absorbed in BSNL/ MTNL under rule 37A:** The amount of Ex-Gratia payable to the employees entitled to pension for combined service rendered in DoT and

BSNL/MTNL under Rule 37-A of CCS Pension Rules, 1972 shall be further restricted 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.

- (d) **Payment of Ex-gratia to Pro-rata service pensioners absorbed in MTNL under rule 37A:** In respect of those employees who had opted for Government pension for the period of service rendered in DoT prior to their absorption in MTNL and are already getting pro-rata pension from GOI, the ex-gratia amount shall not exceed the ex-gratia receivable by the similarly placed combined service pensioners (in terms of years of service completed and remaining). The Ex-gratia for absorbed Pro-rata pensioners shall be calculated by taking their pension notionally as applicable for combined service pensioners having same years of service completed and remaining, taking into account entire service in GoI and MTNL. .
- (e) **Payment of Ex-gratia to Direct Recruit Employees, recruited by BSNL/ MTNL on or after 01.10.2000/01.04.1986:** In respect of the employees directly recruited by BSNL/MTNL on or after 01/10.2000/ 01.04.1986, the Ex-gratia will be calculated in terms of para 6.1 (a) and (b) for the service rendered after their appointment in BSNL/MTNL. Also, the provision w.r.t. further restricting the Ex-Gratia as per clause 6.1 (c) shall not apply in their case.
- (f) An employee retiring voluntarily under the scheme shall be paid Ex-gratia in two equal instalments of 50% each. The first instalment shall be paid in FY 2019-20 and the second instalment in first quarter of FY 2020-21.
- (g) Payment of Ex-Gratia amount shall be subject to recovery of dues outstanding against the employee and deduction of tax at source as per provisions of Income Tax Act, 1961 in force on the date payment.

## 6.2 TERMINAL BENEFITS:

In addition to lump-sum compensation or Ex-gratia as per Clause 6.1 of the Scheme, employees voluntarily retiring under the Scheme shall be entitled to terminal and other benefits, as admissible to them under existing rules. Payment of these benefits shall be made in the following manner:

- (a) **Pension/ Family pension:** Employees retiring under the Scheme shall be entitled to Pension/ Family pension, as applicable, with effect from the date following the effective date of voluntary retirement and shall be authorised as per existing procedure.

For employees governed by the EPF and Miscellaneous provisions act 1952 and EPS 1995, the pension shall be administered as per applicable rules.

- (b) **Deferred Retirement Gratuity :**

- (i) **Payment of deferred Gratuity to combined service pensioners absorbed in BSNL/ MTNL under rule 37A:** Gratuity payable to the employees who took absorption from Government to BSNL/ MTNL and opted for Combined Service Pension shall be calculated based on combined qualifying service rendered in Government and BSNL/ MTNL till the effective date of voluntary retirement.

For the employees of age 55 years or more on the effective date of Voluntary retirement, the payment of gratuity will be paid on attaining 60 years of age (superannuation age on the date of offer of VRS). Such payment of gratuity shall be made within one month from date of attaining 60 years. For the employees, currently of age less than 55 years on the effective date of Voluntary retirement, the gratuity shall be paid in month of February, 2025.

- (ii) **Payment of Gratuity to Pro-rata service pensioners absorbed in MTNL under rule 37A:** Gratuity payable to the employees who took absorption from Government to MTNL and opted for pro-rata Service Pension shall be calculated based on qualifying service rendered in the MTNL till the date of voluntary retirement.

The gratuity shall be paid to these employees by MTNL after voluntary retirement under this scheme without any deferment and within the existing prescribed time limit as per existing rules and procedures applicable to them.

- (iii) **Payment of Gratuity to directly recruited employee:** Gratuity payable to the employee directly recruited by BSNL/ MTNL shall be calculated based on qualifying service rendered after their appointment in the BSNL/ MTNL till the date of voluntary retirement. Service rendered in previous organisation(s) before joining BSNL/ MTNL by such employee shall not be taken into account for calculation of Gratuity benefit.

The gratuity shall be paid to these employees by BSNL/ MTNL after voluntary retirement under this scheme without any deferment and within the existing prescribed time limit as per existing rules and procedures applicable to them.

- (iv) Simple interest at the prevailing GPF rates (currently 7.9%) from the date of voluntary retirement under this scheme till the gratuity is released shall be paid on the deferred gratuity amount.
- (v) In the event of death of the employee retired under the Scheme before the due date of payment, the deferred gratuity amount will be released immediately to the family of the pensioner or to the nominee/ legal heir (in the absence of family pensioner), as the case may be, along with applicable interest till the date of payment as per Clause 6(b) (iii) of this Scheme.
- (vi) The basic amount of Gratuity payable to the employee on the effective date of voluntary retirement under the scheme shall be communicated to the employee by the concerned pension sanctioning authority.

- (c) **Commutation of Pension:**

The absorbed employees of 55 or more age on the effective date of Voluntary retirement, who had opted pension for combined service in DOT and BSNL/ MTNL, on opting for Voluntary retirement will be eligible for commutation of pension only when he/ she attains 60 years of age (superannuation age on the date of offer of VRS).

For other employees less than 55 years of age on the effective date of Voluntary retirement, pension commutation shall be permitted w.e.f. 01-02-2025, in partial relaxation to extant rules of CCS (Commutation of pension) rules, 1981. For commutation of pension, the retired employee will be required to make an application to the pension sanctioning authority as per the rules prevailing at that time. Till the employee opts for commutation of pension, he/ she shall be paid full pension amount as admissible.

Once employee become eligible for pension commutation as per above guidelines, commutation of pension shall be governed by the CCS (Commutation of pension) rules, 1981, e.g. employee shall be eligible for commutation of pension without submission of medical fitness certificate upto one year from date of becoming eligible for commutation and beyond on producing medical fitness certificate, commutation factor shall be applicable as per age on date of commutation etc.

- (d) **Encashment of Earned Leave/ Half Pay Leave:** Employees retired under the Scheme shall be entitled to 'Encashment of Earned Leave/ Half Pay Leave' as per existing rules of BSNL/ MTNL.
- (e) **TA/ DA for journey to place of settlement after Voluntary retirement:** Employees retired under this Scheme shall be entitled to TA/ DA for journey to the place of settlement as per existing rules.
- (f) **Retention of staff quarter:** Employees retiring under the Scheme shall be entitled to retention of staff quarter as per existing rules.
- (g) Other Facilities/ entitlements (Residential Telephone Connection, Post-retirement medical facilities etc.) shall be governed by the existing rules and procedures, as amended from time to time.

## 7. PROCEDURE:

- (i) An eligible employee shall be required to submit his/ her option to voluntarily retire from service under the Scheme during the period and as per the procedure prescribed in the scheme.
- (ii) VRS option of employees facing Departmental/ Judicial proceedings shall be accepted and Earned Leave encashment, Transfer grant, GPF/ CPF and pension will be released provisionally as per Rule 69 of CCS Pension Rule 1972. However, payment of Ex-gratia and Gratuity shall be released on conclusion of and based on outcome of vigilance/ disciplinary proceedings.
- (iii) Option once exercised under this Scheme shall be final and decision of the competent authority shall be binding on the concerned employee. However, employees will be allowed to withdraw their option anytime till closing date of option. Request for withdrawal of option shall be submitted online along with signed copy in writing.

- (iv) Competent authority for acceptance of option shall be the appointing authority for respective category of employee.

**8. GENERAL CONDITIONS:**

- (i) The Scheme is not negotiable and shall not be a subject matter of Industrial dispute.
- (ii) There shall be no recruitment in BSNL/MTNL against the posts falling vacant on account of voluntary retirement under the Scheme, and these posts will be abolished.
- (iii) Employees retired under this Scheme, shall not be eligible for Re-employment in any other CPSE. In case any employee desires to take up re-employment in any CPSE, he/ she shall have to refund the entire amount of ex-gratia received under the Scheme to BSNL/ MTNL before joining. BSNL/ MTNL shall remit the refunded amount to the government.
- (iv) All payments under the scheme and any other benefit payable to an employee by BSNL/MTNL shall be subject to prior settlement/re-payment in full of loans, advances, returning of property and any other dues payable by him/her to BSNL/MTNL. However, employee can give option to settle pending dues to BSNL/MTNL from payment of Ex-gratia, Gratuity and other retirement benefits.
- (v) In the event of the death of an employee after submission of option but before the effective date of voluntary retirement under this Scheme, no Ex-gratia payment shall be admissible to family/legal heirs of deceased employee but other retirement benefits as admissible as per existing rules shall be paid to the family / legal heirs.
- (vi) All payments made under the scheme shall be subject to deduction of tax at source as per Income Tax Act 1961 wherever applicable.
- (vii) The Competent Authority shall have absolute discretion either to accept or reject the request of an employee seeking Voluntary Retirement under the scheme without assigning any reasons.
- (viii) The benefits payable under this scheme shall be in full and final settlement of all claims of whatsoever nature, whether arising under the scheme or otherwise.
- (ix) An employee who voluntarily retires under this scheme or his/ her family or legal heirs shall have no claim or compensation except the benefits under the Scheme.

9. In case of any doubt or ambiguity over the meaning/ interpretation of any of the terms of this scheme, the decision of CMD BSNL/ MTNL shall be final and binding.

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