Deccan Chronicle

1.80 lakh employees to retire next year

Hyderabad: It's going to be a year of retirements in TS as 1.80 lakh government employees are set to retire in the next 12 months. On an average, about 15,000 employees in various departments are set to retire every month. The financial burden on account of retirement benefits and pensions to these retirees will be huge on the government.

The finance department has advised the government to take a decision on raising the retirement age from existing 58 years to 60 years, which will be beneficial in two ways – it will ensure that the administration is not hit due to large scale vacancies and it will give the government some more time to pay the retirement benefits.

The reason being cited for so many retirements in the space of one year is the ban on government recruitment between 1995 and 2004 during TD rule in undivided AP. The government had then relied on contract and outsourcing staff to avoid paying of higher salaries, pensions and other benefits for regular staff.

Recruitments in government sectors were revived after the Congress came to power in 2004.

This 10-year ban led to huge gap with no backing for junior employees after the seniors retire. The government will have to shell out nearly Rs 10,000 crore by the end of 2017 to pay retirement benefits.

The prospect of this massive burden within such a short span is worrying the government which is exploring the possibility of raising the retirement age by two years as was done in AP to buy some more time for the purpose.

"There is already a demand from employees associations to raise the retirement age to 60 years. The issue is under the consideration of the CM. If he gives the nod, it will give scope for the government to make recruitments in a phased manner," minister Etela Rajender told DC