

## The Port Immortals

[A Demographic Analysis of Pensioner Database of Kolkata Dock System]

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The discharge of pension liability to retired employees remains a major expenditure worry for several Govt. organizations. This is more so for old organization like KoPT where regular pensioners and family pensioners vastly outnumbered the serving employee pool with pension disbursement constituting huge portion of the annual expenditure. As against 5320 employed with KoPT, the pensioner and family pensioners having "Life Certificates" totalled 14832 in number. The situation gets further exacerbated as life expectancy of citizens continues to increase with increased national prosperity extending payable time-span for pension. The following figures related to the pension outgo from KoPT in 2016-17 puts the situation in perspective:

<b>Pension disbursement and Fund Creation</b>	<b>Amount (in Crores)</b>
Pension disbursal	284.42
Annuity Purchase	063.04
Superannuation Fund	332.33
Total	679.79

Total Vessel Related Charges collected by KoPT (2016-17) = 689.42 Crores

Total KoPT Earning (2016-17) = 1940.76 Crores

Prior to 2004 a Govt. employee who retired was eligible for pension till death after which his dependents were eligible to draw family pension. After 2004 LIC-Annuity-scheme came into existence where the organization purchases a fixed sum of Annuity from LIC depending on the salary of the employee on the eve of superannuation. Thereafter, LIC discharges the pension liability towards the said employee. For any enhancement of pension during the lifetime of the pensioner or for disbursement of family pension after his death, KoPT has to buy additional Annuity.

As per recent Govt. scheme, pensioners are to be paid additional quantum of "pension amount" depending on their age. For instance while the normal pension get around 50% of his pay at the time of retirement, he can now claim an additional 20% if he lives to the 80-85 year age bracket. Such additional pension progressively increases beyond 80 being 100% of the basic pension if the said employee lives beyond 100 years.

If the employee expires, family pension is required to be paid to his widow, if alive. If the widow expires family pension is required to be paid to his unmarried/widowed/divorced daughter if they are also alive. The pension liability can be transmitted from one daughter to another daughter of the deceased employee. Consider a hypothetical scenario where an employee expires after attaining the age of 90 years but leaves behind a widow ( 5 years junior to him) and 3 unmarried daughters ( 20, 25 & 30 years junior to their mother respectively). If each of these dependents lives her full life, the pension liability can stretch to 65 Year after the employee retires( 30 Years regular pension for the employee+5 Years family pension for the widow+30 years' of family pension for the daughters) . This is a huge burden that Govt. undertakes for the welfare of its aging employees and their families. However, considering the huge financial repercussion for such a long time, every organization has to be alert to prevent any irregularity in this area.

**Demographic Analysis of Pensioner Database:** Keeping the above in perspective, a statistical demographic analysis of "live" pensioners of Kolkata Dock System (KDS) was conducted after refining the existing database. This threw up astonishing revelations. The sample size for the analysis was all "Normal" pensioners alive and drawing "regular" pension after superannuation from Kolkata Dock System prior to 2004 (when LIC-Annuity Scheme got implemented). This number, as in April-2018, amounted to 9985 after discounting a few erroneous data entry.

- The first revelation was the number of pensioners over 100 Years of age , supposedly "alive" and drawing pension , was 70 with many of them in the age bracket of 100-115 years. i.e.0.8% of the Normal-Pensioner population. There was even a 126 Year old live pensioner.
- The data seemed more bizarre when we calculate the % of pensioners living beyond 80 and 90 years which were 23.85% and 64.10% respectively of the live-pensioner-universe. The bizarreness becomes immediately obvious when we consider that according to the latest WHO data published in 2018 life expectancy in India is: Male 67.4, female 70.3 and total life expectancy is 68.8. It means that on an average one can expect an Indian citizen to live an average of 68.8 Years. But this is just an "average" and does not preclude a large number of population living beyond this "average" age. Anyone familiar with the peculiarity of interpreting statically data knows that one has to be careful in coming to a conclusion based on such analysis.

Fortunately life-expectancy probability of general population is meticulously maintained by Census conducting authorities and is available for different age-brackets. Given below is the age-wise distribution of general population according to 2011 census :

**Table1.5. Age-wise distribution of population**

Age (in years)	Person	Total		Rural	Urban
		Female	Male		
0-4	9.3	9.2	9.4	10.0	7.9
5-9	10.5	10.3	10.6	11.3	8.8
10-14	11.0	10.8	11.1	11.6	9.5
15-19	10.0	9.6	10.3	10.1	9.7
20-24	9.2	9.2	9.2	8.9	10.0
25-29	8.4	8.5	8.2	7.9	9.4
30-34	7.3	7.5	7.2	6.9	8.1
35-39	7.0	7.2	6.9	6.7	7.7
40-44	6.0	5.9	6.0	5.7	6.6
45-49	5.1	5.1	5.2	4.9	5.7
50-54	4.1	4.0	4.1	3.8	4.5
55-59	3.2	3.4	3.1	3.1	3.5
60-64	3.1	3.2	3.0	3.2	3.0
65-69	2.2	2.3	2.1	2.3	2.0
70-74	1.6	1.6	1.5	1.7	1.4
75-79	0.8	0.8	0.7	0.8	0.8
80+	0.9	1.0	0.8	0.9	0.9
Age not stated	0.4	0.4	0.4	0.3	0.4
all	100	100	100	100	100

Source: Population Census 2011\*

\* The figures include the estimated population of Mao Maram, Paomata and Purul sub divisions of Senapati district of Manipur.

From the above it is seen that the probability that an average citizen of India will live up to 90 Years of age or more is only 0.4% in urban area and 0.3% in rural area. This is far less than the figure of 64% found in the KoPT Pensioner Database. Could it be possible that due to special conditions attached to government job (secured job , less worry and a relative financial comfort) these pensioners live longer ? **But age beyond 100 years for so many retirees sounds like some kind of inexplicable immortality for retired employees of thePort ?**

So it was decided to juxtapose these results with the comparative demography in Chennai Port Trust. The databases were quite comparable in terms of size (the normal pensioner database size of ChPT was 6920 ) and Chennai Port was also an old port with similar rules and regulations. Given below is the resulting Frequency Analysis.

ChPT Pension Database - Frequency Analysis

Age	Age-Frequency	Frequency (%)	Cumulative Frequency (%)
100	0	0.00%	0.00%
99	1	0.014%	0.014%
98	0	0.000%	0.014%
97	2	0.029%	0.043%
96	1	0.014%	0.058%
95	2	0.029%	0.087%
94	5	0.072%	0.159%
93	10	0.145%	0.303%
92	14	0.202%	0.506%
91	6	0.087%	0.592%
90	14	0.202%	0.795%
89	19	0.275%	1.069%
88	21	0.303%	1.373%
87	26	0.376%	1.749%
86	37	0.535%	2.283%
85	72	1.040%	3.324%
84	114	1.647%	4.971%
83	102	1.474%	6.445%
82	131	1.893%	8.338%
81	148	2.139%	10.477%
80	157	2.269%	12.746%
Total Pensioner Retired after 60	Live who Retired after age <b>6920</b>	100%	

This shows that there is not even a single pensioner in Chennai Port Trust living beyond 100 Years of age. Pensioners beyond 90 Years of age were only 0.795 of the pensioner population. The contrast between this % with that of Kolkata Port Trust (23.85%) could not be starker. It is implied that a pensioner of Kolkata Port Trust is 30 times more likely to live beyond 90 Years as compared to the pensioner of Chennai Port Trust. Similar verbal queries to State Bank Of India, Kolkata Units indicated that they too do not have any pensioner beyond 100 Years in their Kolkata Circle which too has pensioner database of comparable size.

Certain other peculiar aspects in the database were also detected as below and the port management was advised of specific system improvements in this highly significant area.

- i) *There were glaring inconsistencies in the database. For a huge number of live non-LIC pensioners, "date of birth field" remains vacant. Similarly, the date of death in case of a large number of "expired pensioners" [against which family pensioners are currently drawing pension] are missing. Even more puzzling is the absence of "date of retirement" field for nearly 200 of pensioners.*
- ii) *When the software vendor was queried as to how such crucial fields could be absent in Master Table of the Pension Software Utility, he informed that this has been the case since the date of computerization of pension data started in 2004. This legacy data base continues to be in such a state even now.*
- iii) *Spot verification of "address" of some pensioners with seemingly-impossible age conducted by Vigilance in recent past does point to existence of some kind of fraud. In a few cases, check by Vigilance Department have already revealed that such pensioners never lived in the address found in KoPT record. Inquiries from neighbourhood could not also trace existence of such pensioners so far. However this needs to be cross-checked against the address maintained by the disbursing banks. Moreover, there is also the possibility that the pensioner might have moved to a location different from what is found in KoPT database.*
- iv) *During detailed interaction with Pension Section officials it was given to understand that although the pension amount against all pensioners in the database are generated by the computer system, actual payment to the disbursing bank is made by KoPT only in respect of those pensioners for whom latest and current LC (Life Certificate) is available. The existence of latest Life Certificate (LC) for a pensioner as intimated by the disbursing bank is known to be a vital pre-condition for any Organization to credit pension amount. Vigilance is verifying as to the exact policy followed by KoPT in this regard. Presently KoPT pension-database for "live" pensioners contains non-availability of LC in nearly 40% of cases (3969 out of total live pensioners of 9885 Nos.)*
- v) *Interestingly, after Vigilance started to focus their preventive-vigilance-spot light on this area 5 months ago, a good number of such over-aged live pensioners appear to have been unable to get LC leading to stoppage of their pension.*

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