

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

LIC BUILDING SECRETARIAT ROAD HYDERABAD

Cir.No.20/2010

8th October 2010

To all the Zonal/Divisional/State/Regional Units:

Dear Comrades,

A magnificent Wage Revision

We are extremely happy to inform that the government has this evening sent the notifications for wage revision in LIC and the four GIPSA Companies for gazeting. The administrative instructions for payment of arrears both by LIC and GIPSA are expected to be issued in the next couple of days. The payment of arrears would bring to a successful end the three year long struggle on wage revision. There is jubilation across the country and wide appreciation for the magnificent achievement brought about by the AIIEA.

The AIIEA formulated its Charter and submitted the same to the LIC and the GIPSA managements in August 2007. The Charter of demands reflected both hopes and aspirations of the employees and the paying capacity of the institutions. The AIIEA made it clear to LIC and through them to the government that the wages in LIC must have a relationship with the premium income and that AIIEA would not accept any decision based on external factors. The AIIEA marshaled its arguments on the basis of the global experiences on wages in insurance industry. We also made it clear to GIPSA that the wage revision should be industry level and the wage should be identical both in LIC and GIPSA companies.

It was on the basis of this understanding that AIIEA developed tactics to achieve the wage revision. The broadest possible unity was built up and united struggles were conducted to force the government to concede a good wage revision. The struggle became difficult with the global economic crisis and the consequent downward pressure on wages. But the correct political understanding and employment of correct tactics helped the struggle of AIIEA to succeed.

The wage revision is historic. It is the best wage revision in the history of our movement. The wage revision has brought unprecedented monetary gains to the employees. In LIC, the AIIEA was able to secure an additional amenity in the form of Meals Coupons. The benefits taken together are extremely satisfactory and meet the goal AIIEA set for itself.

We reliably learnt that majority of the improvements AIIEA had demanded over the offers of 19th July 2010 in LIC are conceded. The improved provisions in LIC are as follows:

Improvement in scales of Sweepers and Peons:

Sweepers: 5865-250(5)-7115-265(8)9235-315(6)-11125

Sub Staff/Watchmen/Liftmen:6180-250(5)-7430-265(8)-9550-315(1)-9865-325(2)-10515-390(3)-11685

Minimum HRA introduced: A Class Rs.700 B Class Rs.600 C Class Rs.570

Minimum CCA modified : A Class Rs.205 B Class Rs.170 C Class Rs.125

HRA/CCA: For eligibility under A Class Cities, Hyderabad and Bengaluru are added by name and cities with population of 45 lakhs and above as per latest census report are also eligible.

Additions to basic pay (stagnation increments): One more stagnation increment added in all Class III and IV cadres.

Graduation allowance to RCs: A clause is inserted to clarify the issue of graduation allowance to be paid to RCs who pass graduation after 1.8.2007.

Qualification allowance for Fellowship/MBA/Chartered Accountancy increased to Rs.840 and Company Secretaries qualification is added along with the above qualifications.

In General Sector also improvements in Peon's Scale and one more stagnation increment in Assistant and Sr.Assistant cadres have been allowed. ½ day CL which was withdrawn in the earlier notification of 2005 had been restored.

PLLI SCHEME:

We also understand that provision for PLLI has also been finalized for LIC. **For the year 2009-10, PLLI for all LIC employees will be based on the performance of Corporation as a whole and the percentage will be decided by the Board of LIC.**

For the years 2010-11 onwards, a new PLLI Scheme has been introduced. According to this, Board shall be empowered to formulate the parameters and performance norms of the PLLI. During the discussions 19th-20th July 2010 management came out with a new PLLI formula wherein the employees would get the PLLI on the basis of the performance of the Division. The eligibility for employees of the Zonal Office would be on the basis of Zonal average and the Central Office staff would be eligible on the basis of the All India average. The calculations would be made on the basis of individual employee's income as 01.08.2007 (pre-revised). This scheme had the possibility of some divisions missing out on PLLI. Therefore, the AIIEA demanded that no division/branch should be left out of PLLI on failing to achieve the parameters. This demand is now accepted and no division will get less than 50% of the All India average even if any division misses out on the bench marks.

PENSION:

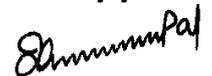
Certain improvements have been made in the present Pension Scheme. Provision is made to include the dependant Unmarried/Widowed/Divorced daughters till they are married/remarried. Provision is made to include wholly dependent parents provided there is no widow or children eligible to receive pension.

While notifying these improvements, the Government unilaterally introduced New Pension Scheme in LIC and GIPSA companies in spite of the opposition from the unions. During all the discussions with the LIC and GIPSA managements, we have been opposing this scheme. This scheme is similar to the one introduced for the Central and State government employees from 1.1.2004. Similarly in Banking sector the scheme was introduced from 1.4.2010. Under this scheme the contribution is defined and benefit is not defined. Now the government decided that it would be applicable to all employees who have joined the LIC on or after 01.04.2010. For the employees of GIPSA companies the date is 1.1.2004. The AIIEA has firmly opposed introduction of this scheme. The Secretariat of the AIIEA which met during the discussions in July 2010 decided that if the government comes out with a unilateral change, it should not go unchallenged and should be opposed. Therefore, the AIIEA has decided to observe One Hour walkout strike on 20th October 2010 preceding lunch demanding withdrawal of this scheme. We request all employees to participate in the strike and make it successful.

Comrades, the AIIEA has achieved a great victory on wage revision in the most difficult situation. The need is to remain vigilant to protect the gains and to consolidate the Organisation. The AIIEA has called for a levy of 4% of the net arrears (Gross arrears less PF & Income Tax). The response is overwhelming. Secunderabad, Bhopal and Patna Divisions have already sent advance levy to AIIEA. It is reported that in a number of divisions especially in the Northern Zone, employees have voluntarily deposited cheques in advance. In General Sector, employees in Madurai, Chennai, Coimbatore and Hyderabad Regions and in West Bengal State have already started paying levy in advance. We are confident of a massive response to both organisational consolidation and levy payment.

With greetings,

Comradely yours,



General Secretary.