

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063
(E-mail: aiieahyd@gmail.com)

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27th June, 2016

To
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

ONE MORE OPTION FOR PENSION

You are aware that AIEA has been demanding for one final option for Pension to those employees who could not opt for 1995 Pension Scheme earlier. A letter addressed to Managing Director seeking early solution to this long pending demand is given hereunder for your information.

With greetings,

Comradely yours,



General Secretary.

June 27, 2016

Managing Director,
LIC of India,
Central Office,
Mumbai

Madam,

PENSION OPTION

We are extremely happy to note that LIC has closed the financial year 2015-16 with yet another good performance. Both the First Year and Renewal Premium Income have recorded healthy growth. The Total Premium Income has shown a growth of 11.5% bring down significantly the ratios on wage cost and total expenses of the management. The claim settlement too shows further improvement in the servicing standards. The productivity and efficiency of the workforce has also shown great improvement.

The employees and officers of the Corporation have made great contribution to the growth and progress of the institution. It is this commitment that motivated the employees to successfully fight all challenges and adversities in the last sixty years to make LIC the finest financial institution in the country. In this Diamond Jubilee Year of LIC, we assure you of our whole-hearted cooperation in taking the Corporation to still greater heights.

It is in this background, we remind you of the issue of another option for pension which is pending for the last several years. You are aware that around 12-14 percent of the employees chose to remain with PF when Pension Scheme was introduced in 1995.

The work force was given the second option in 1997 when the material conditions had not changed much and considerable number of employees unable to assess the situation did not join the scheme. Since then, there is lot of change in the economic environment of the country making Pension a necessity as a social security benefit.

We have been pursuing the demand for a final pension option since the wage revision of 2007. Our demand was well appreciated and we were promised that the issue will be taken up with the government for a favourable solution. We also understand that LIC has recommended for another option for pension and a decision is pending with the government. We would like to mention that you were also very sympathetic to this demand and assured us of all efforts at the government level.

This issue came up for serious discussion in the Secretariat Meeting of AIIEA held at Hyderabad on June 22, 2016. The Secretariat took note of the inordinate delay in finding a solution to this long pending demand. This delay is giving rise to avoidable unrest in the industry. LIC is an institution which for the last sixty years has been engaged in the business of providing social security to the policyholders. Therefore, the demand for Pension option by its own employees as a social security is totally legitimate. Meeting this legitimate expectation of the employees is not difficult for LIC. We, therefore, request you to take up this issue with the government, with the urgency it deserves, to ensure an early solution to this long pending demand.

Thanking you,

Yours faithfully,

Sd/-
General Secretary.