

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

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21st August, 2017

To
All the Zonal/Divisional/Regional/State Units,

Dear Comrades,

Re: One more Pension option

You are aware that the AIIEA is following up with LIC management on the issue of one more option for pension to the employees who could not opt for it earlier. In continuation of the same AIIEA has written a letter to the Chairman, LIC which is reproduced below for your information.

With greetings,

Comradely yours,



General Secretary.

August 16, 2017

The Chairman,
LIC, Central Office,
Mumbai

Dear Sir,

Final option on Pension
Committee on Subordinate Legislation on RBI Pension Scheme

Please recall the discussions we had with you on 2nd August 2017 while submitting our Charter of Demands. When we requested you to immediately settle the issue of Final Option on Pension to join the LIC Employees' Pension Scheme 1995, you informed us that the government has written to LIC that its recommendation for such an option is regretted. We said that this position is unacceptable as the demand is absolutely genuine and gave the following arguments to back our demand:

1. The Pension Scheme was notified on 28/6/1995 and the employees were asked to exercise the option to join within 120 days.
2. The second option was given to join the scheme within just 18 months between May to mid-August 1997.
3. Even after the second option a small number of employees did not exercise the option.
4. They did not exercise the option in view of the fact that between 28/6/1995 and August 1997, there was no change in the interest regime nor were there any improvements in the pension scheme.

5. But after the wage revision effective retrospectively from 1.8.1997 for which the notification was issued on 22.6.2000, many improvements have come about in the pension scheme. Prominent are:
 - (a) 100 percent D.A neutralisation
 - (b) inclusion of dependent parents as eligible to receive family pension
 - (c) inclusion of dependent widowed/divorced daughter as eligible to receive family pension and
 - (d) improvement in the family pension
6. The principle of natural justice demands that employees should be given an option to join the scheme after taking into account the improvements brought about.
7. In the RBI options were given four times whenever improvements were made in the pension scheme.
8. In the Banking industry the second option was given in 2010 after the improvements in Pension Scheme came about and this helped the employees take a considered decision.

We requested you to take up this issue with the government in the light of the above compelling facts as also on the basis of the fantastic financial performance recorded by LIC. We are happy that you assured to take up this issue at the highest level in the government and you also agreed that considering the small percentage of employees who desire a pension option, the cost involved is not substantial and can be absorbed by LIC. In fact the letter of LIC to the government written on July 4, 2014 makes strong recommendation for giving a final option to employees to join the pension scheme 1995.

We are happy to inform you of a new development on the issue of Pension. The RBI had recommended to the government to give a final option for the 5th time to its employees. We understand that the government is yet to act on this recommendation. In the meantime, The Committee on Subordinate Legislation of Parliament under the Chairmanship of Shri Dilipkumar Mansukhlal Gandhi comprising of 15 Members of Parliament studied THE RBI PENSION REGULATIONS 1990 and submitted its Report to the Lok Sabha on 10th August 2017. This committee after a detailed examination of the RBI Pension Regulations and after hearing both the RBI and the Finance Ministry officials has unanimously recommended that RBI should be allowed to give another Pension Option to its employees who could not exercise the options on the earlier four occasions.

This recommendation of the Committee on Sub-ordinate Legislation of Parliament clearly strengthens the case of LIC to seek immediate approval of the government to give a final option on pension to the employees to join the LIC Employees' Pension Scheme 1995.

We trust and hope that you will move speedily to resolve this long pending demand.

Thanking you,

Yours faithfully,
Sd/-
(V.Ramesh)
General Secretary.