

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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To

All the Zonal/Divisional/Regional/State Units,

Dear Comrades,

MASSIVE BUILD UP ON PENSION ISSUE
MAKE 8-9 JANUARY 2019 STRIKE TOTAL

Tens of thousands of Central and State Government employees held a powerful demonstration at Ramlila Grounds in New Delhi on 26th November, 2018 to demand scrapping of NPS and covering all government employees under Old Defined Benefit Pension Scheme. The AIEA held demonstrations in front of all offices of LIC and PSGI companies in support of this demand and also to give further thrust for a final pension option in the insurance industry.

The struggle of the government employees received a significant boost when the Delhi Chief Minister, addressing the protestors, announced that his government will revert back to the Old Pension Scheme. Following this, the Delhi Assembly passed a unanimous resolution in this regard and sent its recommendations to the Central Government. Unnerved by the gathering momentum of struggles on the issue of Pension, the Union Cabinet decided to enhance the government contribution to 14% of the Pay from the existing 10 percent under NPS. The Cabinet also announced tax exemption for the withdrawal of 60% of the accumulation at the time of retirement. However, this decision of the government did not enthuse the employees and they are determined to carry forward the struggle till their demand for Old Pension Scheme is conceded.

Ever since India took the path of neo-liberalism in 1991, the State has been attacking the hard-won rights and benefits of the working class by abdicating its role as a distributor of social and economic justice. It is in this background that Defined Benefit Pension Schemes came under attack. The NDA Government headed by Shri Atal Behari Vajpayee decided to withdraw the Defined Benefit Pension Scheme to its employees who joined services after 1.1.2004 and brought them under a new scheme called as National Pension Scheme where contribution is defined but benefit is not. The State governments followed the lead given by Vajpayee Government and introduced the NPS for their employees from different dates. The NDA government set up Interim Pension Fund Regulatory and Development Authority on 23.8.2003 and notified the same on 22.12.2003. The NPS was extended to all citizens with effect from 1.5.2009. The UPA II government got the PFRDA Act passed in the Parliament on 19.9.2013 and

notified the same on 1.2.2014. It is important to note that this Bill was passed with the support of the BJP despite stiff opposition from the Left. The UPA was prevented from enacting this law as long as it was dependent on the Left for support in its first tenure. According to the latest reports available from PFRDA, 17, 88,699 Central and 33, 32,526 State Governments employees are covered under NPS as at 31.3.2017.

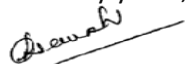
However, the three Left ruled States refused to follow this pattern and West Bengal, Kerala and Tripura continued with the Old Defined Pension Schemes. The UDF Government in Kerala shifted over to NPS in 2013 and the BJP Government in Tripura adopted the NPS in 2018. West Bengal continues with the Old Pension Scheme. After the Left came back to power in Kerala, it constituted a Committee to review the NPS and to suggest modalities to shift back to the Old Pension Scheme. The building up of the movement has now forced the AP government to constitute a committee on the lines of Kerala.

The AIIEA's demand for a final pension option to join the 1995 Scheme to those employees who could not exercise the option earlier in LIC and PSGI industry has gained strength with the developing of all-round struggles on Pension issue. The LIC and GIPSA have recommended the acceptance of this demand. They have been regularly following up with the government. However, the government is yet to accept this demand despite its rationality and justness. The government employees' demand for scrapping of NPS is as much our demand. The NPS was forced upon the employees in the insurance industry through arbitrary notification for those joining services on or after 1.4.2010. The AIIEA has opposed this arbitrariness and joins the demand for scrapping the NPS for these employees.

The Central and State Government employees have decided to join the two day strike on 8-9 January 2019 to press for the demand for scrapping NPS and covering all employees under Old Defined Benefit Pension Scheme. The trade unions in banking industry too are joining the strike on similar economic demands. The AIIEA has decided to join the strike highlighting our demands for wage revision, pension option and recruitment. The AIIEA endorses the larger demands projected in the strike like Minimum wage of Rs.18000, remunerative prices to farmers and a solution to agriculture distress. The strike opposes privatisation policy of the government and demands functional autonomy to the Public Sector units.

These are just demands. These demands are vital not only to the well-being of the working class but are also in the larger interests of the economy. Therefore, insurance employees must join this nationwide strike with great enthusiasm to force a reversal of neoliberalism and to secure their justified demands within the institutions.

With greetings,

Comradely yours,

General Secretary.