

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

Cir.No.40 / 2020

19<sup>th</sup> November, 2020

To

All the Zonal/Divisional/State/Regional Units.

The Joint Front of Unions consisting of Class-1 Federation, NFIFWI, AIEA and AILICEF met through video conferencing on 17<sup>th</sup> November, 2020 to discuss issues relating to the industry and the employees. We reproduce hereunder the Circular issued by the Joint Front as also a letter addressed by the Joint Front to the Chairman, LIC.

With Greetings,

Comradely Yours

*Shreekanth Mishra*

General Secretary

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**FEDERATION OF LIC CLASS I OFFICERS' ASSOCIATIONS**  
**NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA**  
**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**ALL INDIA LIC EMPLOYEES' FEDERATION**

November 18, 2020

To All LIC Employees;

Dear Comrades/Friends,

A meeting of the Joint Front took place through video conferencing on 17.11.2020. Apart from the Federation of LIC Class I Officers' Associations, NFIFWI and AIEA, the All India LIC Employees' Federation also participated in the meeting. The meeting had a detailed discussion on issues relating to the insurance industry and the insurance employees. The meeting took some important decisions with a view to realising the long pending demands of the employees as also to strengthening LIC in the public sector.

**Wage Revision:** The meeting of the Joint Front expressed its unhappiness over the undue delay in settlement of the wage revision issue of the employees. The meeting noted with dismay that it has already been over three years since the wage revision fell due on 01.08.2017. The LIC management resumed the negotiations on 30 September 2020 after a gap of almost eighteen months and improved its offer from 10 per cent to 15 per cent. Unions in the Joint Front then had unequivocally told the management that the offer of 15 per cent neither met the aspirations of the employees nor did it match the sterling performance of the LIC. The Joint Front, therefore, demanded that LIC should come out with improved offers which can form the basis of further negotiations leading to a final and satisfactory settlement of the issue. The

meeting of the Joint Front was disappointed that in spite of the assurance of the LIC management to examine the issue and come back with some improved offers had not materialised even after the lapse of over a month's time. The meeting was unanimous in its understanding that the wage revision issue cannot brook any further delay. It also felt that the LIC employees deserved a wage revision in keeping with the strength and performance of the institution and the aspirations of the employees. It was agreed that Joint Front would immediately write a letter to Chairman, LIC conveying its unhappiness over the delay and demanding immediate settlement of the wage revision and other pending issues. The meeting unanimously resolved to launch agitational programmes so as to realise the wage revision issue to the satisfaction of the employees.

To start with, the following programmes of action were decided in the meeting: i) **Demonstrations during lunch recess on 08 December 2020**, ii) **Badge Wearing and Demonstrations during lunch recess on 15 December 2020**, iii) **Two Hours Walk Out Strike preceding lunch recess on 22 December 2020**.

**Improvements in Pension:** The meeting noted with dismay that even after more than a year of LIC's recommendation; the government had not yet given its approval to the issue of improvements in Family Pension from 15% to 30%. The meeting therefore demanded the LIC management to follow up the issue vigorously with the government for its early resolution.

The meeting felt that Updation of Pension is also an issue that has to be taken up with the management with seriousness. Till now, pension updation is being denied to LIC employees on the specious plea that Pension Rules in LIC and banking industry including RBI is different from the Central Civil Pension Rules. That argument no longer holds good today, now that updation of Pension has been allowed to RBI employees. The meeting decided to take up this issue with the LIC management in right earnest.

**Inordinate Delay in Reduction of Interest on HFL Loans:** The meeting took serious note of the inordinate delay in the matter of reduction of interest rate on HFL loans. It was noted that this issue was giving rise to a serious resentment amongst the employees.

The meeting felt that the delay was particularly disturbing in view of the concrete assurance of no less an authority than the Managing Director in the Joint Session of the Information Sharing Session that positive developments were expected very soon. The meeting decided to take up this matter with LIC management for an expeditious decision.

**Listing of LIC and its Disinvestment through IPO:** The meeting noted that the government was moving at a break neck speed on the issue of LIC's listing in the stock market and its disinvestment through IPO. The meeting noted with concern that the government had already appointed transactional advisors to facilitate the disinvestment process. Recently, the Finance Ministry has also invited bids from actuarial firms for arriving at LIC's embedded value before the stake sale. The meeting was clear in its understanding that these developments point to an unusual sense of urgency in government quarters to dilute stake in the LIC. The meeting therefore decided to step up the campaign against LIC's listing and IPO by enlisting the support of the broadest section of the Indian people.

The meeting noted with satisfaction that in spite of the pandemic and the related lockdown measures, our units all over India could meet 355 Members of Parliament and 271 prominent personalities requesting their support to our struggle against LIC IPO.

There was however no room for any complacency, felt the meeting. There was an urgent need to develop a broad coalition of political forces with an intention to defeat the moves of the government. **The meeting therefore decided to explore the possibility of organising a National Convention in New Delhi against LIC's IPO in the third week of January inviting a cross section of political parties and central trade unions.** Given the unseemly haste with which the government was moving there is every possibility that the government may come up with a Bill to amend the LIC Act in the Budget Session of Parliament itself. **The meeting therefore decided that LIC employees should be asked to be ready for going on a One Day Strike Action on the day following the introduction of the Bill in Parliament.** The meeting decided to undertake massive educative campaign amongst the rank and file of our respective organisations to sensitise the members on the dangerous implications of LIC Disinvestment.

**Classification of Absence during Lockdown due to Covid19:** The meeting was of the considered opinion that the constituents of the Joint Front together represent an overwhelmingly large section of the workforce of LIC and it was their legitimate right to be taken into confidence by the LIC management on issues related to the institution and the employees. The meeting however expressed its concern that LIC management did not appear to be having a proper appreciation of the difficult situation under which the employees are working. This was reflected in the inexplicable silence of the management on issues related to a fair and justifiable treatment of absence during the pandemic period. The meeting was of the opinion that the silence of the management on this important issue defies explanation at a time when analogous financial institutions and even the Government of India have come up with clear cut instructions. The meeting was greatly disturbed over the fact that the unfair treatment of the absence during lockdown period has been harsh on the employees/officers who were absent during the period of lockdown and particularly harsh to the newly recruited employees and those who are on the verge of retirement. Deferment of Confirmation of newly recruited employees after subjecting them to wage cuts amounts to a punishment for absolutely no fault of theirs, felt the meeting. Similarly, subjecting the retiring employees to a pecuniary loss at the fag end of their career for a crisis beyond their control also does not behove a model employer like LIC, averred the leaders.

The meeting of the Joint Front was also critical of the nonchalant response of the LIC management that the issue is 'under consideration'. The matter was represented on 28<sup>th</sup> of May 2020; there have been several follow ups thereafter including the video conferencing of the Joint Front with the ED (Personnel) on 2<sup>nd</sup> September 2020 and the individual discussions of each constituent union. The meeting resolved to pursue this issue with the management with all seriousness.

**26<sup>th</sup> November 2020 All India Strike:** Ten Central Trade Unions and hundreds of independent federations/Associations are going on strike on 26<sup>th</sup> November against the central government's anti-people and anti-worker policies and on seven important demands.

The AIIEA and AILICEF have given a call for an all India Strike on 26<sup>th</sup> November 2020 against the privatisation of PSUs, Listing of LIC through IPO, Scrapping of the NPS and demanding 1995

Pension Scheme for all employees. It was decided that the Federation of LIC Class I officers' Associations and the NFIFWI would extend solidarity to the Strike by requesting their units all over India to address the Strike rallies during lunch recess on the day of the Strike.

It was also decided that we will make the management aware through another letter about the general issues like leave of absence during lockdown, reduction of housing loan interest, need to strengthen LIC by quick decisions at the appropriate level, compulsory recovery procedures in the name of EWP, simple formula for PLLI etc. The specific issues faced by members of each group of class-I, II and III & IV also will be brought to the knowledge of the Management.

The meeting also decided to strengthen the unity of the organizations forming the Joint Front at all levels. Accordingly, Units of the constituent unions all over India are requested to take coordinated steps and take up the campaign and struggle programmes in right earnest. Units should take care to form the Zonal/ Divisional level Committees before the 26<sup>th</sup> of November. We request our members all over India to remain prepared for a grim struggle ahead on the issues related to the employees and on the issue of LIC's listing and disinvestment.

With Greetings,

Comradely Yours

Sd/-  
S. Rajkumar  
General Secretary  
Federation of LIC  
Class I Officers'  
Associations

Sd/-  
Vivek Singh  
Secretary General  
NFIFWI

Sd/-  
Shreekanth Mishra  
General Secretary  
AIIEA

Sd/-  
Rajesh Kumar  
General Secretary  
AILICEF

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November 19, 2020.

The Chairman  
LIC of India  
Central Office  
MUMBAI.

Dear Sir,

**Re: Inordinate Delay in Settlement of Wage Revision and Improvements in Pension**

We are deeply disturbed over the fact that the Wage Revision issue has not been settled till now. It is more than three years now since the Wage Revision fell due. The entire workforce of LIC felt happy when the negotiations were resumed on the 30<sup>th</sup> of September this year after a gap of almost eighteen months.

In spite of our reservations, we were happy that at least the offers were improved from the earlier 10% to 15%. We had pointed out in the Joint Session on 30<sup>th</sup> September and also in our individual discussions with Executive Director (Personnel) subsequently that the offer of 15% wage rise neither met the aspirations of the employees nor did it match the sterling performance of the LIC. We had therefore demanded substantial improvement in the offer which could form the basis for further negotiations. In spite of your assurances to look into our demands favourably, there is absolutely no progress on that score even after over a month and a half. Employees and Officers have started becoming restive over this.

It bears no repetition that LIC today is the finest financial institution in the country. It would be axiomatic to say that this has been possible because of the dedication and commitment of its workforce. The LIC has not only successfully held its ground in a fiercely competitive scenario but has been continually improving upon its market share. Having contributed so magnificently to the growth and prosperity of the institution, the employees naturally expect a good wage revision commensurate with their increased productivity and financial strength of LIC.

The LIC Board's recommendation to the government on improvement of family pension is pending for government approval for more than a year. In the process, the families of the deceased employees are deprived of the benefits for over one full year. We do feel that LIC should make sincere efforts for its approval rather than pleading helplessness over the situation.

The issue of updation of Pension also merits your serious consideration. Till now, pension updation is being denied to LIC employees on the specious plea that Pension Rules in LIC and banking industry including RBI is different from the Central Civil Pension Rules. Moreover, it is being argued that the scheme in Banks and Insurance is 'funded' rather than 'Pay as you go' as in the Central Government. The Pension Schemes in Banks and Insurance were in fact modelled on the basis of the RBI scheme which itself was modelled on the basis of the Central Government Scheme. This makes the stand of the government totally unjust. However, with the government conceding improvement in family pension and updation of pension in RBI, the arguments of the government against conceding these benefits to Bank and Insurance employees is totally unjustified. It is to be noted that the Hon'ble Finance Minister, addressing the recently held IBA General Body has stressed on the importance of treating the Bank pensioners fairly. She said that pensioners who have contributed immensely to the growth of the banking institutions should not be discriminated and they should be allowed pension benefits on the lines of what is obtaining for the armed forces. This exactly is what we have been asking for your consideration.

The employees are constrained to observe that the wage revision issue is not being accorded the kind of attention it deserves. The Board recommended improvements in family pension are not being implemented because of unwarranted delay in getting the approval of the government. **We have therefore decided to organise Lunch hour Demonstrations on 8<sup>th</sup> and 15<sup>th</sup> of December 2020 with the perspective of a Two Hour Walk Out Strike preceding lunch recess by all sections of officers and employees on 22<sup>nd</sup> of December 2020.**

We are conscious of the fact that such industrial unrest at a time when LIC has to meet multiple challenges is totally undesirable. However, we are left with no choice in view of the inordinate delay in resumption of the negotiations with improved offers. We would request you to commence the process of negotiations with improved offers with an aim to conclude the wage settlement at an early date so that we can give our undivided attention to other challenges confronting the institution.

Thanking You,

Yours faithfully,

Sd/-  
S. Rajkumar  
General Secretary  
Federation of LIC  
Class I Officers'  
Associations

Sd/-  
Vivek Singh  
Secretary General  
NFIFWI

Sd/-  
Shreekant Mishra  
General Secretary  
AIIEA

Sd/-  
Rajesh Kumar  
General Secretary  
AILICEF