

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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To

All the Zonal /Divisional /State /Regional Units

Dear Comrade,

We reproduce herein below a letter addressed to the Secretary, Department of Financial Services under the Ministry of Finance today on the issue of enhancement of family pension to a uniform rate of 30 per cent and enhancing management's contribution under NPS from the existing 10 to 14 per cent. This may please be brought to the notice of our Comrades.

With Greetings,

Comradely Yours



General Secretary

Sri Vivek Joshi
Secretary
Department of Financial Services
Ministry of Finance
NEW DELHI - 110001

Date: 23.03.2023

Dear Sir,

Re: Enhancement of Family Pension and Employer's Contribution under NPS

We wish to introduce ourselves as the All India Insurance Employees' Association (AIIEA), the largest and oldest trade union in public sector insurance industry. Our organisation represents an overwhelming majority of the employees in LIC and PSGI companies. We would like to place before you two important issues that have been crying for a solution since long.

The first issue relates to the notification of improvements in family pension. It is to be noted that the Pension Scheme in LIC was introduced in lieu of management's contribution towards Provident Fund in the year 1995. This scheme was formulated on the basis of the Central Government Employees Pension Scheme. There were many improvements in the Central Government Pension Scheme after the recommendations of the Fifth Pay Commission headed by Justice Ratnavel Pandian like updation of pension, improvement in family pension etc. Unfortunately these recommendations, despite repeated representations, were not made applicable to the insurance employees.

Of late, the government of India has approved a proposal of the IBA to increase family pension of public sector bank employees to a uniform rate of 30% of pay of the deceased employees without any ceiling. It is also to be noted that these demands of the bank employees have been conceded with retrospective effect. The Bank pensioners and employees have already started enjoying the fruits of these improvements. The enhancement of the family pension to a uniform rate of 30 per cent has also been conceded to RBI employees and NABARD/ RRB employees.

Unfortunately, the same benefit has not yet been extended to employees of public sector insurance industry. It has been more than three years since the LIC sent its recommendation to the government on the issue of improvements in family pension. We understand that all clarifications sought by the Ministry have also been given by LIC. The delay in getting clearance of the government on these improvements has given rise to considerable disquiet amongst the employees and pensioners. A large number of pensioners have also died in the meanwhile leaving the family pensioners in the lurch. We would therefore request you to take expeditious steps for notification of the Board recommended improvements in family pension.

The second issue pertains to, without any prejudice to our demand of scrapping of the NPS, the enhancement of management's contribution under the Defined Contribution Pension Scheme (DCPS) from the existing 10% of pay plus dearness allowance to 14% thereof as is applicable to central government employees under the National Pension System (NPS). As we have pointed out earlier, this benefit has now been extended to the Bank employees. The DCPS beneficiaries of LIC have now been made a part of the institutional architecture of the NPS. But the management's contribution to the fund continues to be at the old rate of 10%.

We would request you for your personal intervention in the matter to ensure that the government gives its clearance to the LIC Board's recommendation on enhancement of family pension to 30% without any ceiling and management's contribution to the NPS is enhanced from 10 to 14% with retrospective effect.

We would request you to kindly spare some time for our delegation at your convenience so that we can meet you and explain our points of view.

Thanking you, in anticipation

Yours faithfully
Sd/-
General Secretary