ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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To,
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

We reproduce below a letter sent by AIIEA today to the LIC management regarding the recurrent problems being faced in the ePGS Gratuity Module. The letter is self-explanatory. We request all our units to ensure its widest possible circulation among our members.

With Greetings,

Comradely Yours
Shreekant S Mishra
General Secretary

To,
The CEO & Managing Director
LIC of India
Central Office
Mumbai

Date: 27.08.2026

Dear Sir,

Re: Urgent Issues Regarding the Implementation of the EPGS Gratuity Module

This is further to our letter dated 30.07.2025 on the operational issues plaguing LIC's ePGS module and our subsequent discussion with you on 20th August 2025 requesting your personal intervention on the matter. We had requested then that the teething problems relating to the Superannuation portfolio should be resolved first before extending the ePGS module to the Gratuity portfolio. However, LIC went ahead with the ePGS Gratuity module in May 2026 in an unseemly haste, compounding the problems still further.

Regrettably, this module too has fallen short of the anticipated expectations, reflecting the challenges and shortcomings earlier experienced with the Superannuation and GI modules. As a result, significant operational disruptions and employee dissatisfaction have emerged. The worst part of it is that nobody at the management level seems to be bothered about the problems. Employees have to face dissatisfied customers without any support whatsoever from the office.

The recurring presence of terms such as **"buffering," "error,"** and **"feedback"** has become an all-too-familiar experience across units, reflecting the persistent technological challenges confronting employees in their day-to-day work. The Gratuity units, crucial to the P&GS vertical, are severely affected as employees navigate unresolved issues alongside a growing backlog of enquiries. This situation not only undermines employee morale but also threatens to diminish customer confidence in LIC, jeopardizing vital relationships with MPHs **and the business prospects of LIC**.

The module's performance has proven to be highly inconsistent; it may function adequately for a brief period but often deteriorates during peak hours, especially on critical dates such as monthly and

fortnightly closings. These operational struggles create a frustrating work environment and hinder the ability to effectively serve our clients.

Upon evaluating the workflows before and after the EPGS implementation, it is evident that tasks have become unnecessarily complicated and time-consuming. For instance, the inconsistency in the placement of search options, particularly the policy number search feature, complicates navigation for employees. Additionally, the integration of new fields in the database has only increased the complexity of data entry and management, adversely affecting efficiency.

Furthermore, there exists a substantial backlog of feedback submitted through the Samiksha portal, which remains unaddressed for extended periods. There are recurrent complaints that neither Tech Mahindra nor the liaising officials at CO bother to go through the feedbacks for days on end. This lack of responsiveness places a considerable burden on the employees and serves to undermine their morale.

The issues plaguing the module are far too numerous and complex to be enumerated here in their entirety. We have, however, highlighted below the more critical issues that merit urgent attention.

Enquiry Process: Since the module's launch, only claims have been processed, with minimal advancement in other operations. Many features from the legacy system that facilitated ease of use are currently unavailable or challenging to navigate. For each enquiry, such as whether a claim is settled or a member is available in the data, users have to navigate through many options, which places a significant burden on them.

Policy View: The legacy system provided a claims paid register and an active member list, both of which are absent in the current module. Streamlining information access, such as embedding the email option directly in policy views, would enhance user experience.

Data Uploading: The format prescribed for uploading data, whether for renewal quotations or mid-joiners, is very lengthy and contains numerous mandatory and optional fields. The MPHs are, therefore, not evincing interest in furnishing such exhaustive data. When all the optional fields are generally left unattended, there is little purpose in retaining them in the format.

The module has been designed to function on the basis of the Unique Member Identifier rather than the LIC ID. However, the Unique Member Identifier has been shown as an optional field in the sample format. Since it is marked as optional, all the MPHs are ignoring it, which creates difficulties in processing the data.

The Designation column should be made alphanumeric, as designations sometimes contain grade numbers, whereas the module presently accepts only text. Further, after the data is received, Users have to repeatedly impress upon the MPHs to provide the required information, which is adding to the delay in the renewal process.

The data uploaded into the system also remains at the **“In Progress” stage for days together** unless it is intervened with by the makers. Users are required to change the file name and upload the file again, as the system does not communicate whether there is any error in the uploaded data or not.

Quotation and Adjustments: Once a quotation has been generated and the renewal premium remains to be paid, claims cannot be processed and no other service can be rendered. Quotations and other related services should not be interdependent. Functions such as Adjustments, Benefits, Data Uploading and Claims Processing should operate independently for those LIC IDs which are not included in the renewal list.

It has also been observed that once a deposit adjustment is approved, the commencement of risk is being reckoned from the date of the deposit adjustment data rather than from the ARD, even though the total annual premium is being collected. The risk commencement date should appropriately correspond to the ARD in such cases.

If an error occurs during deposit adjustment, employees are required to prepare the quotation afresh, involving a lengthy and repetitive process. Even after the process is repeated, the same error often recurs. Further, the module does not display the reason for the failure of the adjustment, making it difficult for users to identify and rectify the error.

Renewal is also not being permitted in respect of all lapsed policies, and the concerned policy numbers are not being retrieved by the system. Since the renewal process is critical, errors are being posted promptly on the Samkisha portal. However, there is presently no mechanism or designated personnel to attend to and resolve these errors in a timely manner, resulting in avoidable delays.

Contribution Adjustments: There are several instances where, even after the adjustment and approval of deposit amounts, the adjusted amount is not being reflected in the fund balance, although it appears in the premium adjustment details. This discrepancy results in the system showing an insufficient balance, thereby preventing the processing of gratuity payments and causing avoidable difficulties in making such payments.

Claims: The claims processing module has several operational deficiencies that are causing avoidable delays, duplication of work and considerable hardship to Users and MPHs.

Bulk Claims: There is no modify/edit option once claims are entered under the bulk claims facility. Consequently, if any correction is required, the entire file has to be deleted and the process repeated from the beginning. This has to be done time and again, resulting in substantial duplication of work. As a consequence, claims which generate the desired values are processed through the bulk option, while those which do not match the expected values are processed individually. This has resulted in a lack of uniformity in the processing of claims and has also created difficulties for Users in explaining and convincing the MPHs about the different modes of processing. Most importantly, there is no edit option for differential claims, which needs to be addressed on priority.

Further, the facility for bulk pushing of previous-year claims is not available. Similarly, future-date claims under the resignation option are not being permitted for processing. These restrictions are causing avoidable delays in settlement of legitimate claims.

Enquiry regarding Claim Settlement: The information displayed while enquiring whether a claim has been settled includes the Payout Number, Policy Number, MPH Code, LIC ID and Unique Member Identifier. However, for the purpose of confirming settlement, the most relevant information required by the User is the LIC ID, Name of the claimant and the Claim Amount Settled. In the absence of these basic details, Users are compelled to adopt a trial-and-error method to ascertain the status of a claim, making the process highly cumbersome and time-consuming. The enquiry screen should, therefore, be redesigned to display the information that is directly relevant for identifying and verifying the settlement of a claim.

Claim Forwarding Letters: Even though the email IDs of the concerned MPHs are duly registered in the system, claim forwarding letters are being sent to MPH Email IDs in a random and inconsistent manner. For claims settled on the same day, the MPH receives forwarding letters in respect of some claims but does not receive them for others. This inconsistency makes it difficult to ensure proper communication and follow-up of settled claims.

NEFT Rejections: There is presently no separate option in the Menu to view or process NEFT-rejected claims, although an option for the NEFT Register is available. This makes it difficult for Users to readily identify and follow up cases where payment has been rejected. A separate option for "NEFT Rejected Cases", along with a facility for initiating fresh payment, may be provided under the NEFT Register menu. This would enable Users to easily identify rejected claims, take necessary corrective action and reprocess the payments without having to resort to cumbersome methods of tracing such cases.

Trustee Withdrawals: Under the Trustee Withdrawal option, although there is a provision for uploading documents, the upload facility is not activated, preventing us from uploading the required documents. Consequently, there is no documentary record of the reason for withdrawal, making it difficult to retrieve or verify the details of a Trustee Withdrawal at a later date. Further, the forwarding letter is also not being generated for Trustee Withdrawals, adding to the difficulties in processing and maintaining proper records of such withdrawals.

Mid-joiners: The quotation in the form of a letter is not being generated by the system. Further, the C&B file does not contain the GST component, necessitating manual calculation of the GST and its entry in the file before forwarding it to the MPH. At present, the Excel file is the only output being generated by the system. In respect of Mid-Joiners, the C&B file should be generated with the policy number clearly indicated. There are also issues relating to the retrieval and adjustment of deposits. After adjustment of a deposit, the deposit is, at times, not retrieved at the Checker level. In some cases, while the deposit appears under Deposit Enquiry, it does not get reflected under the Mid-Joiner Adjustment option. These inconsistencies create avoidable difficulties in processing and reconciling deposit adjustments.

Mid-leavers: At present, the Unique Employee ID has been made mandatory for data uploading. This requirement needs to be reviewed, as the LIC ID should be accepted as the primary identifier, particularly because certain policies do not have Unique Employee IDs. The present system requirement is therefore preventing users from processing mid-leavers, as the system generates an error when the Unique Employee ID is unavailable. This is causing considerable hardship to users, who are consequently required to explain and justify the issue to the respective MPHs.

Samiksha Portal: Tech Mahindra rarely addresses the issues reported through the Samiksha portal. Even when an issue is redressed, it has been observed that the correction is often limited to the specific instance reported in the feedback, rather than addressing the underlying software issue comprehensively. This is in contrast to the legacy system, where a correction made in response to a feedback from one unit generally resulted in a common solution being applied across all units and to all relevant policies. The present approach therefore leads to the recurrence of the same issues across units and places an unnecessary burden on users.

Reports: Although the system provides options for generating various reports, the reports extracted often do not contain the required information, thereby limiting their usefulness for users.

We have been repeatedly emphasising the need for regular dialogues with the Unions before introducing and implementing any new technological initiatives. However, for reasons best known to the management, such dialogue and consultation have increasingly become a thing of the past. This unilateral approach has landed the organisation in an unenviable position. P&GS has been the lifeline of LIC, playing a crucial role in maintaining our leadership position in the market. However, the continuing systemic problems and the lack of timely response at various levels are increasingly affecting operational efficiency and in the process sullying the reputation of the Corporation. Employees are becoming increasingly restive over this sorry state of affairs and a serious sense of disenchantment is taking root. Addressing these concerns with the utmost urgency is therefore essential to restore the confidence of stakeholders, protect the goodwill of the Corporation and ensure the effective and smooth functioning of the system.

We therefore request your immediate intervention to ensure that the necessary corrections and improvements are carried out expeditiously and the industrial atmosphere is not further vitiated.

Thanking You,

Yours faithfully
Sd/-
General Secretary