Place:

Date:

**Shri Arun Jaitley,**

Minister for Finance,

Government of India,

New Delhi

Dear Sir,

**Wage Revision in LIC**

We, the employees and officers of LIC working at …………………………………(office) express our anguish and disappointment over the inordinate delay in settling the demand for wage revision. The wage revision in LIC fell due on 1.8.2012 and despite the passage of over three years this demand is still pending resolution. The progress LIC has been registering year after year is in your knowledge and we are happy that you are very appreciative of the work being done by this great institution. Therefore, we do not want to burden you with all the details of the working of LIC to justify our demand for a good wage revision. Still we would like to place some important aspect of the functioning of LIC that are relevant to the issue of wage revision.

The last wage revision in LIC took place on 1.8.2007. The period between 1.8.2007 and 31.7.2012 witnessed impressive performance by LIC in every aspect of its functioning despite a very difficult economic environ. The Total Premium Income increased from Rs.149706 crore to Rs.202803 crore. The Total Income of the Corporation jumped from Rs.207436 crore to Rs.308400 crore. The number of individual inforce policies increased from 23.53 crore to 29.18 crore. The productivity of the employees registered a massive increase. The per capita premium generation rose from Rs.131.27 lakh to Rs.169.33 lakhs. The share of dividend to the Government rose from Rs.829.59 crore to Rs.1281.23 crore. It is in the background of this impressive performance to which the employees have made immense contribution, we have been demanding a wage revision reflecting the strength and paying capacity of LIC.

The employees and officers have also been asking for a final option to join the pension scheme. The Employees’ Pension Scheme was introduced in 1995 replacing the management’s contribution towards PF. Option was given to the employees and officers on rolls then to join either the pension scheme or remain with the Contributory PF. The employees recruited between 1995 and 31.3.2010 were compulsorily covered by Pension Scheme. The LIC introduced a new scheme of Pension to those who joined the services after 1.4.2010. Only around 12 percent of the employees who were in service in 1995 and did not opt for the Pension Scheme are seeking an option to join the Pension Scheme 1995. The number is small and the Pension is fully funded in LIC. Therefore, we do not feel any difficulty in agreeing to this request from those employees for an option to join the Pension Scheme as a final opportunity.

We are happy to note that on a number of occasions, you have said that if an industry does well, the employees should get benefitted. We appreciate this reasoning. The LIC has done well and therefore our demand for a good wage revision is totally justified. We request you to instruct the LIC management to convene discussions with the unions and settle the wage revision on the basis of the strength and paying capacity of the institution without allowing the external developments to influence the course of negotiations.

We look forward for a positive response from you for which we shall be very thankful to you.

Yours faithfully,

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