

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063
(Email: aiieahyd@gmail.com)

Cir. No. 10 / 2019

4th March, 2019

To
All the Zonal / Divisional / State / Regional Units,

Dear Comrades,


Final Pension Option

We append herein below our letter addressed to Chairman, LIC seeking his intervention raising certain concerns on the issue of Pension Notification granting final option to employees who could not opt for 1995 pension scheme earlier.

The contents are self-explanatory.

With greetings,

Comradely yours,



(V. RAMESH)
General Secretary.

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March 4, 2019

The Chairman (In-charge),
LIC, Central Office,
Mumbai

Dear Sir,

Final Pension Option

We are happy that the government has approved the recommendation of LIC to grant a final pension option to employees who did not opt earlier. We thank you for the efforts put in by LIC in this regard. However, the letter dated 2nd March 2019 of the government on the pattern this option has to be implemented has created some disappointment among the employees and taken away the grace of conceding this long pending demand. We are surprised that the government has chosen to impose these conditions despite the recommendation of LIC that it is in a position to bear the entire cost.

You are aware that Rule 3(3)(a)(b)(c) of the LIC Employees' Pension Rules 1995 notified on 28.6.1995 is the guiding clause for in-service employees. According to this clause only the accumulated amount of Corporation's contribution to PF along with the interest earned has to be surrendered to join the Pension Scheme. When the second option was extended through a notification on 22.4.1997, the Rule 3(9)(a)(b)(c) reiterated the same condition that the Corporation's Contribution to PF along with the accrued interest has to be surrendered. Therefore, we strongly feel it cannot be any different this time.

We may also point out that Rule 5(3) clearly states that "it is the obligation of LIC to make good the shortage of Fund, if any". So also Rule 7(b) to (h) and Rule 11 provide that it is for the Corporation to meet the payment obligations and not through the additional contributions from employees. In view of these clearly defined rules, it is inappropriate to ask the employees who would now chose to opt for the scheme to share a portion of the cost, however, small or big it is.

As for as the retired employees are concerned, the government letter states that pension would be payable from the date of notification. The commuted value, if the optee decides to exercise, would also be on the basis of the age next birthday following the date of notification. In this background it is unfair to ask the retired employees to share a portion of the cost through additional contribution. They may simply be asked to refund the amount of Corporation's share of PF and interest they received at the time of retirement.

In the circumstances, we request you to immediately take up these issues with the government and ensure that the difficulties of the employees on this score are mitigated and the goodwill earned is channelized to meet the challenges institution is facing in the present times.

Thanking you,

Yours faithfully,
Sd/-
General Secretary