

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
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To

All the Zonal /Divisional /State /Regional Units

**Wage Revision and Improvements in Pension cannot Wait Any Further**  
**Updation of Pension Requires Serious Attention**  
**Make 26<sup>th</sup> November Strike a Resounding Success**

The 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. These sympathetic words have raised expectations in the Banks and other public sector financial institutions about the possibility of revision of pension and increase in the family pension. While appreciating the concern of the Finance Minister to the plight of the pensioners, what is important is to urge her to translate words into action.

The Finance Minister has played a clever politician. By her words she has deflected all the criticism of being insensitive to the plight of the pensioners away from the government on to the IBA. She has squarely held IBA responsible for the stalemate on the demands of the pensioners. Even a layman knows that the powers of IBA or for that matter LIC and GIPSA are limited while deciding the wages and service conditions of the employees. It is the government that calls the final shots. Therefore, Finance Minister has not been honest in acknowledging the role of her ministry in denying the legitimate demands of both the in-service employees and the pensioners.

The LIC Board sent its recommendation to the government on improvement of family pension nearly a year back. The government is yet to give its approval. In the absence of the approval of the ministry, the improvements cannot be implemented. In the process the families of the deceased employees are denied the benefit for nearly a year as any benefit can come only prospectively. This is not to condone LIC for the delay. After sending the recommendation, it must have ensured its speedy approval rather than pleading helplessness over the situation. If the Finance Minister is true to her words, the approval for the recommendations of LIC must be given without any delay.

The demands of the pensioners were raised by a number of parliamentarians through questions in both Lok Sabha and Rajya Sabha. The stock reply of the government has been that these demands are not under consideration for the reason that Pension Scheme in Banks and Insurance is not based on the Pension Scheme of the Central Government. Secondly the scheme in Banks and Insurance is funded rather than 'Pay as you go' in the Central Government. The Pension Schemes in Banks and Insurance were 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. Therefore, if the Finance Minister genuinely believes that pensioners are being discriminated, her ministry must immediately advise IBA, LIC and GIPSA to extend these benefits as the government has no objection to the same.

These issues bring into sharp focus the need to give functional autonomy to the public sector undertakings for efficient functioning and ensuring peaceful industrial relations. The wage revision in LIC and GIPSA companies is pending for over 3 years. The LIC has been registering phenomenal growth. The general insurance companies in the five years preceding 1.8.2017 when the wage revision became due recorded a compounding annual growth in gross domestic premium income of 14.67%. This is one of the best growth figures recorded anywhere in the world. While in LIC the negotiations on wage revision are held up after reaching a crucial stage on the plea that government mandate is awaited, the GIPSA is yet to make an offer citing want of government mandate. This is a mockery of the collective bargaining.

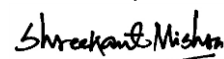
Late Shri Arun Jaitley, Former Finance Minister had time and again said on public platforms that productivity and profitability of an institution should be the basis to determine the wages and service conditions of the employees. The trade union movements in LIC and GIPSA companies are echoing the same understanding. The LIC defying predictions of all doomsayers has retained market dominance despite competing with 23 other private companies and many other institutions that compete to mobilise the household domestic savings. The impressive growth and prosperity of this institution has endowed it with enormous paying capacity. The AIIEA and its partners in the Joint Front are demanding settlement of wage issue on the basis of the strength of LIC. This cannot be an unreasonable demand. The GIPSA cannot take shelter under the argument that Public sector companies are not doing that well in the recent period. The GIPSA companies are doing well and if the strength is not reflected in the Balance Sheets, it is only due to higher provisioning in order to present these as good candidates for privatisation.

The Wage Revision in LIC has dragged on for too long a period. It is necessary to reach a satisfactory settlement early so that the collective energies can be focussed on meeting the requirements of very challenging times. The onus of reaching an early finality rests on LIC and the government. They must come forward to meet the legitimate expectations to bring about an early conclusion of wage revision. The GIPSA must open negotiations without further delay. It must make sincere efforts to reach a satisfactory settlement early so as to prevent serious damage to industrial relations.

We urge the Hon'ble Finance Minister to convert her words into action by approving the improvements in pension scheme recommended by LIC and giving autonomy to LIC and GIPSA to settle the issue of wage revision and the demand for updation of pension. We call upon our units to make the 26<sup>th</sup> November 2020 Strike a Resounding Success.

With Greetings,

Comradely Yours



General Secretary