

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

Dear Comrades,

**Wage Revision in LIC heading towards finality**  
**AIIEA's promise of a Good Wage Revision going to be Redeemed Soon**  
**Unilateralism of LIC Management Reprehensible**

The issue of wage revision reached the final stage on March 15, 2024 with the government approving the recommendations of LIC. According to the available information, the wage revision would be effective from 1.8.2022. The additional cost on wage revision would be 17% of the wage bill as on that date. The government has approved 16% loading on the basic pay. This means the new basic pay would be constructed by merging the existing pay with the entire dearness allowance as on 1.8.2022 and giving a loading of 16% on this amount. Consequently, all allowances would also be upgraded. The management's contribution towards NPS for the employees recruited on or after 1.4.2010 would be increased from the present 10% to 14% with the employees' contribution remaining at the existing rate. The government has also approved a one time exgratia to the pensioners and family pensioners.

The struggle for wage revision started with the formulation and submission of the Charter of Demands. While submitting the Charter of Demands to the LIC management on 11<sup>th</sup> August 2022, the AIIEA had demanded that wage revision in LIC should be based on the strength and paying capacity of the institution and it should be commensurate with the hopes and aspirations of the employees. The focal demand of AIIEA had always been that the framing of the basic pay should be with substantial additional loading as was done in the earlier wage revision. Since Basic Pay is the mother benefit, it will help increase in other allowances as also the retiral benefits. While submitting the charter of demands and in a number of discussions held thereafter with LIC, the AIIEA had been stressing on this point.

The AIIEA for the last few years had also been demanding the increase in the management's contribution to the NPS for those covered under NPS architecture. This was without prejudice to our demand that the NPS should be scrapped and all employees should be brought under the 1995 Pension Scheme. There are growing struggles on the issue of restoration of old pension scheme in different sectors of the government and surely AIIEA also would be a part of such a larger struggle. Though the LIC has said that a scheme to pay exgratia as a one time measure for the pensioners and family pensioners is approved by the government, the details of this scheme are still not known. The AIIEA has been demanding the updation of pension with periodical wage revision as is the case with the central government employees. The LIC has the financial strength to introduce this benefit and especially in a situation where huge retirements are taking place and perhaps in the next couple of years, there would be no additional commitment of LIC on the Pension Fund. In such a situation considering the long pending demand of Pension updation is not difficult. The AIIEA is aware that exgratia is not a substitute for the demand for updation and AIIEA will continue to pursue this demand.

The AIIEA was clear in its understanding that wage revision struggle is the most difficult struggle in a class divided society. But the AIIEA had the conviction that by way of struggles on the basis of correct

economic and political understanding, it will once again succeed in securing a good wage revision. The forging of the Joint Front, numerous demonstrative programmes after submission of Charter, memorandums to the management individually and under the banner of the Joint Front, the proposed two hour walk out strike on 12<sup>th</sup> September 2023 which was subsequently deferred on a written assurance from the management and finally the hugely successful walk-out strike on 10<sup>th</sup> January 2024 were all part of the tactical line of the AIIEA. The meeting of the leadership of AIIEA with the Chairperson of LIC on 12<sup>th</sup> January 2024 was a turning point. These programmes of action forced open the negotiations and the management came out with an initial offer of 14% on 16<sup>th</sup> February 2024. The AIIEA was constantly reminding the management about the core issues of the employees that had to be factored in the wage revision. Right from the second week of February 2024 till up to a few days before the final session on 15<sup>th</sup> March, a number of correspondences were made in this regard. Now the government finally approving the recommendation of the management for a wage hike of 17% and initiating the process of notification, the wage revision is heading towards a finality.

Though the available information suggests that many of the demands of AIIEA have been accepted; the manner in which the entire exercise of wage revision is conducted lacked grace. The wage revision is not an act of benevolence; it is a legitimate demand of the workforce to a share in the wealth and prosperity created by the workers. We are aware that the LIC Amendment Act 1981 has robbed the employees of the right to collective bargaining. Utilising the powers vested under rule 48, the government can decide the service conditions of the employees. Despite this, in all the wage revisions after that, negotiations were conducted with the trade unions and notifications were issued only after a general consensus.

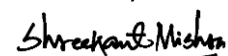
But this time around, the beginning of wage talks itself was on a sour note. The insistence of the LIC that retired persons cannot participate in the discussions was clearly in violation of the law and the judgements of the constitutional courts. Thereafter, individual discussions were abruptly cancelled without giving any reason. This is one more sign of the unilateralism in decision making that we have been experiencing since the issue of LIC IPO. The LIC has been upgrading technology, changing the business model and bringing out various measures without taking the trade unions into confidence. Such a situation can only result in deterioration of industrial relations. The Secretariat of AIIEA met on 15<sup>th</sup> March and has decided to frame appropriate response to this unilateralism.

The General Secretary of AIIEA had a telephonic talk today with Shri Satpal Bhanoo, Managing Director. He informed MD that AIIEA appreciates the broad contours of the wage revision but has serious reservations about the manner in which the entire exercise was undertaken. The AIIEA suggested to the Managing Director that LIC should call the unions at an early date and inform them the fuller details of the wage revision.

The AIIEA assures the employees that it is committed to bring maximum benefit to the maximum number of employees without compromising on the noble principles of the trade union movement. We request the employees to appreciate the efforts of the AIIEA and remain in readiness to implement any call given by the organisation.

With Greetings,

Comradely Yours



General Secretary