

Chennai
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From

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To

Shri Narendra Modi,
Hon'ble Prime Minister of India,
South Block, Raisina Hill,
New Delhi-110011

Respected Sir,

**Re: Grievance of LIC of India Pensioners and Anomaly in LIC
(Employees') Pension Rules 1995**

Let me humbly introduce myself as a retired Executive Director of Life Insurance Corporation of India having retired from the services of the Corporation on 31/1/2002 after a service of 36+ years. I am also a pensioner of LIC being covered by LIC of India Pension Rules 1995. I beg to submit before your good self some contradictions/anomalies that are persisting in the said Rules. **Rule 56 of the aforementioned Rules reads as follows:**

"56. Residuary provisions -Matters relating to pension and other benefits in respect of which no express provision has been made in these rules shall be governed by the corresponding provisions contained in the Central Civil Services (Pension) Rules, 1972 or the Central Civil Services (Commutation of Pension) Rules, 1981 applicable for central government employees."

Rule 55 empowers LIC Chairman as follows:

“55 Power to issue instructions -The Chairman of the Corporation may from time to time issue instructions as may be considered necessary or expedient for the implementation of these rules.”

LIC Pension Rules 1995 were made and notified by the Central Government on 28/6/1995 based on the pattern of Central Civil Services (Pension) Rules, 1972 or the Central Civil Services (Commutation of Pension) Rules, 1981 applicable for central government employees. At the time of the said Notification, for Central Government employees only the rules as per the 4th Central Pay Commission Recommendations as implemented by the Government were in vogue. Subsequently when the recommendations of the 5th Central Pay Commission were implemented, the Central Government pensioners became entitled to upward revision of pension on modified parity with effect from 1/1/1996.

There are no express provisions in the LIC Pension Rules 1995 to the effect that basic pension once fixed on retirement will remain static or it will be revised at the time of subsequent wage revisions. So, in terms of Rule 56 in whatever manner the pensionary benefits are revised for Central Government pensioners, the same should also have been done for LIC pensioners as well. But this has not been done even though recommendations of two more subsequent Central Pay Commissions have been implemented for the Central Government employees. LIC employees who have retired before 1/8/2012 have missed revision of pension for wage revisions ranging from 1 to 4, the latest wage revision being effective from 1/8/2012. One more wage revision is due for LIC employees with effect from 1/8/2017 which is reported to be under process.

The fact that LIC Pension Rules 1995 have been modelled on the pattern of Central Government Pension Rules has been further established by the fact that the amendments have been made from time to time to allow certain benefits given to the CCS employees(pensioners) to LIC employees(pensioners) also. For instance, Rule 2(k) and Rule 39 of LIC(Employees) Pension Rules 1995 were amended vide Notification dated 8/10/2010 to give the benefit of Family Pension to the unmarried/widowed/divorced daughter and to the parents who were wholly dependent on the deceased employee subject to the conditions provided therein.

However, Chairman of LIC has not so far issued instructions to give effect to the operation of Rule 56 in exercise of powers vested under Rule 55 in regard to the lack of express provision for upgradation of pension with additional pension every wage revision and also payment of additional

pension ranging from 20% to 95% for pensioners aged 80 years and above upto 95 years and above but less than 100 years. and above which has been provided by amending Rule 49 of the CCS Pension Rules through an amendment.

The fall out of this omission on the part of Central Government/LIC has been that more than 50000 pensioners including about 30 % family pensioners are stagnating at the original levels of basic pension fixed for them, for periods ranging from eight years to twenty three years and tens of thousands of pensioners especially of the older generations have exited the world without obtaining revision in pension with the cascading effect of death of family pensioners also after the death of retirees.

Another contradiction in the LIC Pension Rules 1995 has occurred by the insertion of Rule 55B by a Central Government notification dated 13/8/2001. Rule 55B reads as follows:

"55B Pensionary benefits to employees mentioned in proviso to sub-rule(j) of Rule 2 and employees appointed as Managing Director under section 20 of the Act and who were in service on or after 1st January, 1996-Notwithstanding anything contained in these rules, in respect of an employee appointed as Managing Director under section 20 of the Life Insurance Corporation of India Act, 1956, and in respect of an employee covered by proviso to sub-rule (j) of Rule 2, who was in service on or after 1st January, 1996, the pensionary benefits shall be calculated in accordance with the provisions contained in the Central Civil Services (Pension) Rules, 1972 and the Central Civil Services (Commutation of Pension) Rules, 1981, as applicable to Central Government servants and in accordance with the instructions issued by the Central Government there under from time to time;

Provided that where such an employee who has retired on or after 1.1.1996 and before the date of publication of these rules in the Official Gazette or the family of such employee in the event of death of such employee, gives a notice in writing within 90 days of the publication of these rules, expressing an option not to be governed by the provisions of this rule, then, the provisions of the

above paragraph shall not apply in respect of such employee or the family of such employee, as the case may be. Option once exercised under this proviso shall be final.”

As per this rule, Chairman and Managing Director of LIC who were originally appointed in the service of the Corporation will have their pensionary benefits calculated in accordance with the provisions contained in the Central Civil Services (Pension) Rules, 1972 and the Central Civil Services (Commutation of Pension) Rules, 1981, as applicable to Central Government servants and in accordance with the instructions issued by the Central Government there under from time to time.

The first anomaly created by this Rule is that as many as 5 Chairmen (out of whom two are no more) and 3 Managing Directors (out of whom one is no more) retired before 1/1/1996 have been deprived of the benefits provided by this Rule.

In effect, insertion of this rule means that Rule 56 of the LIC Pension Rules 1995 is being implemented selectively for only two cadres of whole-time officers of the Corporation, viz, Chairman & Managing Director. **These two cadres of officers of the Corporation are also covered under the definition of ‘employee’ of the Corporation under Rule 2(j) of the LIC Pension Rules 1995 and are paid salaries as in case of other cadres of employees and pensions from out of the employees’ Pension Fund of the Corporation and these are not reimbursed by the Central Government. Also, the contribution towards Pension Fund for these two cadres is of the same scale as applicable to all other cadres from Sweeper to Executive Director.**

Also Rule 55B is the only rule that has been worded cadre-based, whereas no other rule distinguishes pensioners based on cadre.

I am not writing this to question the inclusion of this Rule, as definitely the Central Government might have added this Rule for a rational purpose. But when similar consideration has not been shown to the other cadres of employees covered by LIC Pension Rules 1995, this Rule has created a conflict and contradiction with the rules in the LIC Pension Rules 1995 for the other cadres in the Corporation from Executive Director downwards.

The discriminatory nature of Rule 55B in the absence of provision for upgradation of pension for all pensioners covered by the LIC Pension Rules 1995 has also created a further ironical situation as follows:

In March 2019, one more option for pension was granted to employees including pensioners who were PF optees and who had skipped exercising

the option for pension. Among the employees who were granted one more option for pension were one serving Chairman, one serving Managing Director and a retired Managing Director who were PF optees. The ironical and anomalous part of this development was that the officers/retired officers in the top two cadres not only got the benefit of being covered by the LIC Pension Rules 1995, but ipso facto became entitled to updation benefits -and rightly so- while more than 50000 pensioners have been deprived of such a benefit for periods ranging from 7 years to over two decades.

This contradiction can be done away with only by treating all employees/pensioners covered by the LIC Pension Rules 1995 uniformly alike. This necessitates providing for upward revision of pension for all retirees at the time of every wage revision for serving employees with corresponding revision for family pensioners. This needs to be done either by issue of instructions by LIC Chairman in exercise of his powers under Rule 55 or by an amendment of the LIC Pension Rules 1995 by the Central Government if deemed proper in the alternative at the earliest possible time considering the advanced ages of the waiting pensioners many of whom are suffering from health issues.

I beg to humbly acknowledge and bow to your good self for the various measures and welfare schemes initiated and implemented for the benefit of over 130 crores of citizens of this country during the tenure of the present Central Government for the last over six years under your esteemed, eminent and energetic leadership and am sure that the interests of LIC Pensioners are safe at your hands.

I am sure that the disparity in pension suffered by more than 50000 LIC pensioners as explained above as many among the pensioners are septuagenarians (including me) and octogenarians in the evening of their lives, having made valuable contributions for the phenomenal growth of the Corporation during their working tenures, will be removed and their grievances redressed with empathy by the Central Government and the Corporation.

Kindly pardon me for encroaching upon your valuable time by this rather lengthy submission.

Thanking you in anticipation,

Yours faithfully,

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