

## TABULATED RESPONSE TO MY QUERIES TO GOOGLE GEMINI ON RULE 56 & RULE 55B

S No	My Query	Response from Google Gemini
1	<p>There are CCS (Pension) Rules 2021 (which repealed CCS(Pension) Rules 1972). There are LIC (Employees) Pension Rules, 1995. The Chairman (presently CEO &amp; MD) and Managing Directors who have risen out of the ranks of LIC are covered by LIC Pension Rules 1995 as whole-time employees, of the Corporation. Rule 56 of the LIC Pension Rules has Residuary Provisions stating "Matters relating to pension and other benefits 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".</p>	<p>This is an interesting situation that highlights the complexities of overlapping and evolving legal frameworks, especially concerning pension rules. Here's a breakdown of the implications:</p> <ol style="list-style-type: none"> <li><b>LIC (Employees) Pension Rules, 1995 are the Primary Rules:</b> The Chairman and Managing Directors who have risen through the ranks of LIC are primarily governed by the LIC (Employees) Pension Rules, 1995. These rules would dictate the core aspects of their pension and other benefits.</li> <li><b>Residuary Provisions and the Repealed 1972 Rules:</b> Rule 56 of the LIC Pension Rules, 1995, clearly states that "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."</li> <li><b>The Impact of CCS (Pension) Rules 2021:</b> The crucial point here is that the CCS (Pension) Rules 2021 <i>repealed</i> the CCS (Pension) Rules 1972. This creates a legal conundrum: <ul style="list-style-type: none"> <li><b>Direct Application:</b> The CCS (Pension) Rules 2021 directly apply to Central Government employees.</li> <li><b>Indirect Reference:</b> The LIC Pension Rules, 1995,</li> </ul> </li> </ol>

		<p>however, specifically refer to the 1972 rules in their residuary provisions.</p> <p>4. <b>Legal Interpretation:</b> When a law or rule references another law or rule that is subsequently repealed and replaced, the general legal principle is often that the reference is understood to be to the <i>corresponding provisions</i> of the new, replacing law, unless there is a clear intent otherwise.</p> <ul style="list-style-type: none"> <li>○ <b>Argument for 2021 Rules:</b> A strong argument can be made that since the 1972 rules no longer exist, the spirit of Rule 56 of the LIC Pension Rules would be to refer to the current equivalent Central Civil Services (Pension) Rules, which are the 2021 rules. The intent of the residuary clause is to ensure that gaps in the LIC rules are filled by the general central government pension framework.</li> <li>○ <b>Argument for 1972 Rules (less likely in practice):</b> A strict, literal interpretation might argue that since Rule 56 explicitly mentions "1972," and not "as amended from time to time" or "successors thereof," the residuary provision might become inoperative for those aspects, or it might necessitate an amendment to the LIC Rules. However, this could lead to a legal vacuum or unfairness for LIC employees.</li> </ul>
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2	In the above context, the Rule 55 B has been inserted in the LIC Pension Rules 1995 whereby the pensionary benefits of Chairman and Managing Directors retired after 1/1/1996 shall be calculated in accordance with the provisions contained in the Central Civil	<p>This clarifies the situation significantly and introduces a critical element: <b>Rule 55B in the LIC Pension Rules, 1995.</b></p> <p>Here's an updated analysis of the pension benefits for LIC's Chairman and Managing Directors, considering this new information:</p>

	<p>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 thereunder from time to time " These provisions provide for more liberalized benefits than other LIC employees covered by the other rules of LIC Pension Rules 1995, who remain in a static basic pension after the date of retirement only receiving increase in Dearness Relief every six months based on increase in AICPI for Industrial Workers.</p>	<ol style="list-style-type: none"> <li>1. <b>Specific Provision for Chairman and MDs (Rule 55B):</b> <ul style="list-style-type: none"> <li>○ The insertion of Rule 55B in the LIC Pension Rules, 1995, creates a <i>specific and distinct</i> framework for the pensionary benefits of Chairman and Managing Directors who retired after January 1, 1996.</li> <li>○ This rule explicitly states that their 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 thereunder from time to time."</li> </ul> </li> <li>2. <b>Superseding the General Residuary Provision (Rule 56 for Chairman/MDs):</b> <ul style="list-style-type: none"> <li>○ While Rule 56 is a general residuary provision, Rule 55B is a <i>specific provision</i> dealing with a particular class of employees (Chairman and MDs) and their pension calculation method.</li> <li>○ In legal interpretation, a specific provision typically overrides a general provision when both apply to the same subject matter. Therefore, for Chairman and MDs, Rule 55B would take precedence over Rule</li> </ul> </li> </ol>
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		<p>56 regarding the calculation of their pensionary benefits.</p> <p>3. <b>The Persistent Issue of the Repealed 1972 Rules:</b></p> <ul style="list-style-type: none"> <li>○ Rule 55B <i>still</i> explicitly refers to the "Central Civil Services (Pension) Rules 1972" and "Central Civil Services (Commutation of Pension) Rules 1981."</li> <li>○ As established earlier, the CCS (Pension) Rules 1972 have been repealed by the CCS (Pension) Rules 2021.</li> <li>○ This means the direct legal basis referenced in Rule 55B no longer exists in its original form.</li> </ul> <p>4. <b>How "As Applicable to Central Government Servants and in Accordance with Instructions Issued... from Time to Time" is Interpreted:</b></p> <ul style="list-style-type: none"> <li>○ This crucial phrase in Rule 55B is key to resolving the repeal issue. It signifies an intent to link the pension benefits of the Chairman and MDs to the <i>current</i> central government pension framework, even if the specific rule numbers change.</li> <li>○ The phrase "as applicable to Central Government servants" implies that whatever rules are in force for Central Government servants at the relevant time would apply.</li> <li>○ More importantly, "and in accordance with the</li> </ul>
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		<p>instructions issued by the Central Government thereunder from time to time" provides the legal mechanism for updating the applicable rules. This allows the Central Government to issue instructions that clarify which new CCS Pension Rules (like the 2021 rules) are to be followed, even if the LIC rules still refer to the 1972/1981 versions.</p> <p><b>5. Liberalized Benefits and Disparity:</b></p> <ul style="list-style-type: none"> <li>○ You've highlighted that these provisions "provide for more liberalized benefits than other LIC employees covered by the other rules of LIC Pension Rules 1995, who remain in a static basic pension after the date of retirement only receiving increase in Dearness Relief every six months based on increase in AICPI for Industrial Workers."</li> <li>○ This points to a clear <b>two-tier pension system</b> within LIC: <ul style="list-style-type: none"> <li>▪ <b>Chairman and MDs:</b> Their pension is linked to the more dynamic Central Government pension framework, which likely includes provisions for <b>pension revision/updation</b> based on pay commission recommendations</li> </ul> </li> </ul>
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		<p>or other periodic reviews, in addition to Dearness Relief. This explains why their benefits are more "liberalized." Central government pensions are generally subject to regular revisions announced by the government.</p> <ul style="list-style-type: none"> <li>▪ <b>Other LIC Employees:</b> Their pension remains "static basic pension" with only Dearness Relief. This indicates that their pension structure is not automatically linked to the general central government pension revisions for base pension amounts, only for the Dearness Relief component.</li> </ul> <p><b>Conclusion:</b></p> <p>The insertion of Rule 55B specifically designates that the pension calculation for LIC Chairman and MDs is tied to the <b>Central Civil Services (Pension) Rules and (Commutation of Pension) Rules</b> as they apply to Central Government servants, and <i>importantly, as updated by Central Government instructions from time to time.</i></p> <p>Even though Rule 55B mentions the 1972 and 1981 rules, the phrase "as applicable to Central Government servants and in accordance with the instructions issued by the Central Government thereunder from time to time" effectively means that the <b>CCS (Pension) Rules, 2021 (and any subsequent</b></p>
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		<p><b>amendments or relevant instructions from the Central Government)</b> would govern their pension calculations. This is how the "more liberalized benefits" are sustained, as their pension structure essentially mirrors that of the central government's evolving pension policies, unlike other LIC employees whose basic pension remains static.</p> <p>This situation underscores the importance of interpreting rules in their entirety and recognizing how specific provisions and subsequent instructions from a governing authority can influence the application of seemingly outdated references.</p>
3	<p><b>Does the above situation not amount to violation of Articles 14 and 21 of the Indian Constitution?</b></p>	<p>You've hit upon a very important constitutional question often debated in India, particularly concerning public employment and pension benefits. The situation you describe, with a marked disparity in pension benefits between the top echelons (Chairman and MDs) and other employees of LIC, despite both being covered by the same overarching "LIC Pension Rules 1995," does indeed raise serious questions about the violation of <b>Articles 14 and 21 of the Indian Constitution</b>.</p> <p>Let's break down why:</p> <p><b>Article 14: Equality Before Law and Equal Protection of Laws</b></p> <p>Article 14 states that "The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India." This article prohibits arbitrary discrimination and requires that equals be treated equally and unequals be treated differently but reasonably.</p> <ul style="list-style-type: none"> <li>● <b>The Argument for Violation of Article 14:</b> <ul style="list-style-type: none"> <li>○ <b>Unreasonable Classification:</b> The core of the argument against this</li> </ul> </li> </ul>



		<p>disparity would be that it constitutes an "unreasonable classification." While it's permissible for the State to classify employees for different treatment, such classification must be based on an "intelligible differential" and have a "rational nexus" to the object sought to be achieved.</p> <ul style="list-style-type: none"> <li>○ <b>Homogenous Class:</b> Pensioners often constitute a single, homogenous class for the purpose of pension benefits, especially post-retirement. The Supreme Court, particularly in landmark cases like <b>D.S. Nakara &amp; Ors. vs. Union of India (1983)</b>, has emphasized that all pensioners who retired from the same service form a single class. Any classification amongst them based on an arbitrary cut-off date (like retirement before/after 1/1/1996 for the "liberalized" benefits) or based solely on their position (Chairman/MD vs. other employees) <i>without a strong, justifiable reason</i> for different <i>pension calculation methodologies</i> could be deemed discriminatory.</li> <li>○ <b>Pension as a Right, Not a Bounty:</b> Pension is not a bounty but an earned right for past service. Denying a more beneficial pension scheme to one group while</li> </ul>
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		<p>granting it to another, particularly when both are employees of the same organization and subject to the same general pension rules, can be seen as arbitrary.</p> <ul style="list-style-type: none"> <li>○ <b>Lack of Rational Nexus:</b> What is the rational nexus for linking the pension of Chairman/MDs to the continuously updated Central Government rules (which implies pension revision beyond just DR), while other LIC employees are stuck with a static basic pension plus only DR? If the underlying rationale for central government pension revisions (e.g., to compensate for inflation, improve standard of living, reflect pay commission recommendations) is valid for one group of public servants, why isn't a similar principle applied to all, or at least a more equitable mechanism for others?</li> </ul> <p><b>Article 21: Protection of Life and Personal Liberty</b></p> <p>Article 21 states that "No person shall be deprived of his life or personal liberty except according to procedure established by law." The Supreme Court has given a very expansive interpretation to Article 21, including the "right to live with human dignity," which encompasses various aspects like the right to livelihood, social security, and a decent standard of living, especially in old age.</p> <ul style="list-style-type: none"> <li>● <b>The Argument for Violation of Article 21:</b></li> </ul>
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		<ul style="list-style-type: none"> <li>○ <b>Right to Livelihood and Dignity in Old Age:</b> A pension is crucial for the livelihood and dignified existence of retired employees. If one group of employees receives a pension that is regularly updated to keep pace with the cost of living and inflation (through pay commission revisions/linking to current government rules), while another group's basic pension remains static, it can lead to a significant erosion of their real income over time. This could potentially impair their ability to live with dignity in their old age, particularly given increasing healthcare costs and general inflation.</li> <li>○ <b>Economic Insecurity:</b> The static basic pension for other LIC employees, with only DR adjustments, means their purchasing power diminishes over time, leading to economic insecurity in retirement. This can be argued to be a deprivation of their right to a dignified life, as their economic well-being is systematically undermined compared to their more privileged counterparts.</li> </ul> <p><b>Relevant Case Law and Principles:</b></p> <ul style="list-style-type: none"> <li>● <b>D.S. Nakara &amp; Ors. vs. Union of India (1983):</b> This is the seminal judgment that held that all pensioners who retired from the same service must be treated as a single class and any arbitrary cut-off</li> </ul>
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		<p>date for pension benefits would be violative of Article 14. While the facts here are slightly different (not a cut-off date for entry into pension scheme, but for the <i>method of pension calculation and revision</i>), the principle of a homogenous class of pensioners and the prohibition against arbitrary differentiation remains highly relevant.</p> <ul style="list-style-type: none"> <li>• <b>Arbitrariness as the antithesis of Equality:</b> The Supreme Court has repeatedly held that arbitrariness is the very antithesis of equality, and any state action that is arbitrary would be violative of Article 14 (E.P. Royappa vs. State of Tamil Nadu).</li> <li>• <b>P. Ramakrishnam Raju vs. Union of India (2014) and recent judgments concerning Judges' pensions (May 2025):</b> The Supreme Court has recently emphasized parity in pension benefits for High Court Judges, regardless of their source of appointment or length of service, reiterating that any discrimination in terminal benefits would be violative of Article 14 and could impact judicial dignity. While this specific context is about judges, the underlying principle against discrimination in pensionary benefits for a homogenous class holds weight.</li> </ul> <p><b>What Would Be Needed to Justify the Disparity (and why it might be difficult):</b></p> <p>For the disparity to survive a constitutional challenge, the LIC/Government would need to demonstrate a <b>very strong and compelling justification</b> for treating Chairman/MDs differently in terms of their core pension calculation and revision mechanism.</p> <ul style="list-style-type: none"> <li>• <b>Uniqueness of Post:</b> They might argue that the posts of Chairman</li> </ul>
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		<p>and MD are unique, involve higher responsibilities, and require attracting top talent, hence a different, more lucrative pension scheme is justified as part of their overall compensation package.</p> <ul style="list-style-type: none"> <li>• <b>Distinct Class:</b> They might try to argue that Chairman and MDs form a completely distinct class from other LIC employees, even those who rose through the ranks, based on their statutory appointments and unique terms of service.</li> <li>• <b>Negotiated Terms:</b> If these benefits were part of negotiated terms of appointment for such high-level positions, that <i>might</i> provide some justification, but it would still be subject to the test of reasonableness and non-arbitrariness under Article 14, especially when compared to the pension scheme for other long-serving employees of the same entity.</li> </ul> <p><b>Conclusion:</b></p> <p>Yes, the situation you described, where the Chairman and MDs receive a pension linked to continuously updated Central Government rules (implying revisions beyond just Dearness Relief), while other LIC employees are limited to a static basic pension plus only Dearness Relief, <b>strongly suggests a potential violation of Articles 14 and 21 of the Indian Constitution.</b></p> <p>Such a clear disparity within the same organization, particularly concerning post-retirement benefits crucial for a dignified life, would likely face a significant legal challenge on grounds of arbitrary and discriminatory treatment. The burden would be on the State (LIC/Central Government) to provide a constitutionally</p>
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		permissible justification for this differential treatment.
4	<p>Further to my earlier query, I wish to inform the following: In the Delhi High Court judgment dated 27/4/2017 on the Writ Petitions of LIC pensioners, in para 105, it has been stated, " The explanation of the Corporation and the Union of India is that appointments to the posts of Chairman and Managing Director are made by the Central Government under Sections 4 and 20 of the Act. These posts require approval of the Appointments Committee of the Cabinet and draw pay as per the scale of pay applicable to the Central Government employees. This was the position even prior to introduction of Pension Rules. Chairman and Managing Director of the Corporation by Notifications dated 3rd July 1996 were made eligible for pension, though their salary and dearness relief were calculated on 608 index points whereas pension rules had provided for calculation of dearness relief at 1148 index points. Thus, there was an anomaly. The Central Government considered the issue and decided that there should be uniformity of terms and conditions of appointment approved by the Appointment Committee of the Cabinet in the insurance industry including retirement package "</p>	<p>This additional information from the Delhi High Court judgment (specifically para 105) provides the <i>justification</i> put forth by LIC and the Union of India for the differential treatment of pension benefits for the Chairman and Managing Directors.</p> <p>Let's analyze this justification in the context of Articles 14 and 21:</p> <p><b>The Justification Presented:</b></p> <ol style="list-style-type: none"> <li><b>1. Statutory Appointment &amp; Central Government Control:</b> Appointments to Chairman and MD posts are made by the Central Government under Sections 4 and 20 of the LIC Act. They require approval of the Appointments Committee of the Cabinet (ACC). This highlights their unique status as high-level, government-appointed functionaries.</li> <li><b>2. Pay Scale Link to Central Government:</b> They draw pay as per the scale applicable to Central Government employees. This establishes a pre-existing parity in salary structure with the Central Government, even before the pension rules came into play.</li> <li><b>3. Anomaly Resolution:</b> Prior to the introduction of pension rules, there was an anomaly where Chairman and MDs were made eligible for pension, but their salary and dearness relief were calculated on a lower index (608) compared to the higher index (1148) used in the pension rules for DR calculation.</li> <li><b>4. Uniformity of Terms in Insurance Industry:</b> The Central Government</li> </ol>

		<p>"considered the issue and decided that there should be uniformity of terms and conditions of appointment approved by the Appointment Committee of the Cabinet in the insurance industry including retirement package." This suggests a policy decision to ensure that top executives across public sector insurance companies (and potentially other PSUs with ACC-approved appointments) have a consistent and competitive retirement package, aligned with central government standards.</p> <p><b>Analysis in light of Articles 14 and 21:</b></p> <p>The Delhi High Court's noting of this explanation is crucial because it presents the State's defense against charges of arbitrary discrimination. The key question is whether this explanation provides a <b>reasonable classification</b> with a <b>rational nexus</b> to the objective.</p> <ul style="list-style-type: none"> <li>● <b>Argument for Justification (Defense's Stance):</b> <ul style="list-style-type: none"> <li>○ <b>Distinct Class:</b> The core of the argument is that Chairman and MDs, by virtue of their statutory appointment by the Central Government (ACC), their specific pay scales linked to the Central Government, and their overall role in the public sector insurance industry, constitute a <i>distinct class</i> of employees. They are not merely "other LIC employees" but hold positions of national significance and strategic oversight within a public sector undertaking.</li> <li>○ <b>Rational Nexus to Objective:</b> The objective is</li> </ul> </li> </ul>
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		<p>to ensure that these high-level, government-appointed positions have a "uniformity of terms and conditions... including retirement package" across the insurance industry, consistent with Central Government standards. This is to attract and retain top talent for critical leadership roles and to maintain consistency in compensation philosophy for such posts. The anomaly resolution also falls under this objective – ensuring that their pension calculation aligns with their pay structure and overall terms.</p> <ul style="list-style-type: none"> <li>○ <b>Functional Differentiation:</b> Their functions and responsibilities are qualitatively different from other employees, even senior ones, within LIC. They are at the apex of the organization, responsible for its overall strategic direction and compliance with government policy.</li> <li>○ <b>Attracting Talent:</b> To attract individuals of the calibre required for these positions, who might otherwise be drawn to the private sector or higher government service, a competitive and comprehensive retirement package, consistent with central government norms, is deemed necessary.</li> </ul>
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		<p>While their terms are <i>linked</i> to the Central Government, they are fundamentally employees of a Public Sector Undertaking (LIC), which has its own distinct service conditions. The extent to which they can be fully equated to "Central Government employees" for <i>all</i> pensionary benefits, while others are not, can be questioned.</p> <p><b>Court's Likely Approach:</b></p> <p>The Delhi High Court, in acknowledging this explanation, would likely be evaluating whether this justification meets the "twin test" of Article 14:</p> <ol style="list-style-type: none"> <li>1. <b>Intelligible Differentia:</b> Is there a clear and discernible difference between Chairman/MDs and other LIC employees? The Court's observation suggests "yes," based on their appointment process (ACC), statutory roles, and pay parity with Central Government.</li> <li>2. <b>Rational Nexus:</b> Does this differentia have a rational relationship to the objective sought to be achieved (uniformity in the insurance industry, attracting top talent, addressing anomalies)? The Court's noting of the Central Government's decision for "uniformity of terms and conditions... including retirement package" suggests this rational nexus is being considered.</li> </ol> <p><b>Overall Impact:</b></p> <p>The information from the Delhi High Court judgment indicates that the differential treatment for Chairman and MDs is <b>not an oversight or an arbitrary act without reason</b>, but a deliberate policy decision by</p>
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		<p>the Central Government, based on their unique positions and the need for uniformity in high-level public sector appointments.</p> <p>While this provides a strong defense against an Article 14 challenge based on "unreasonable classification," the ultimate judicial determination would depend on whether the Court finds the <i>degree</i> of differentiation in pension benefits (especially the dynamic vs. static basic pension) to be disproportionate or whether it still violates the fundamental principle of pension as an earned right for a homogenous class of retirees from the same organization, impacting their "right to live with dignity" under Article 21.</p> <p>Often, such cases involve a delicate balancing act by the courts between administrative policy considerations and constitutional guarantees of equality and dignity. The Court might uphold the classification if it finds the reasons compelling enough and the nexus rational, even if it results in significant disparity. However, if the disparity is found to be excessive or arbitrary in its impact on the fundamental right to livelihood in old age, the Court could still intervene.</p>
5	<p>It is to be noted that the contribution to the Pension Fund (which is common for all employees covered by LIC Pension Rules 1995) is made by LIC for liberalized benefit for the Chairman and Managing Directors while it is made on a lower scale for be exits payable on a static basic pension for other cadres and also same cadre officers retired before 1/1/1996. The anomaly is that the scale of pension benefits for officers covered by Rule 55B is as determined for Central Government employees, but the resources for payment of these</p>	<p>This further detail regarding the <b>contribution to the common Pension Fund</b> is critical. It shifts the focus from merely the "benefit side" of the pension to the "funding side," which can significantly impact the arguments under Articles 14 and 21.</p> <p>Here's how this information amplifies the constitutional questions:</p> <p><b>The New Anomaly: Disparity in Contributions to a Common Fund</b></p> <p>You've highlighted two key points:</p>

	<p>liberalized benefits are provided by the substantive employer LIC.</p>	<ol style="list-style-type: none"> <li>1. <b>LIC's Contribution for Liberalized Benefits:</b> LIC makes contributions to the <i>common</i> Pension Fund that are tailored to support the "liberalized benefits" (i.e., those derived from Central Government rules, including revisions) for the Chairman and Managing Directors.</li> <li>2. <b>Lower Scale for Others:</b> For other cadres, and for officers retired before 1/1/1996 (who are also covered by the LIC Pension Rules 1995 but don't get the Rule 55B linkage), the contributions are on a "lower scale" corresponding to the "static basic pension" plus only Dearness Relief.</li> <li>3. <b>Source of Funds:</b> The crucial point is that <i>LIC</i>, the substantive employer, provides the resources for these liberalized benefits for the Chairman and MDs, even though the scale of benefits is determined by Central Government rules.</li> </ol> <p><b>Amplifying the Article 14 (Equality) Argument:</b></p> <p>This information strengthens the argument for a violation of Article 14 significantly:</p> <ul style="list-style-type: none"> <li>• <b>Unequal Treatment within the Same Scheme:</b> It's not just about different <i>benefits</i> for different classes, but about different <i>contribution rates</i> to a <i>common fund</i> for employees within the same organization, under the same pension rules (LIC Pension Rules 1995), but with differential application. This directly impacts the principle of "equal protection of laws."</li> <li>• <b>Arbitrary Allocation of Resources:</b> If LIC, the employer, is contributing more to the common fund to secure higher, dynamically revising</li> </ul>
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		<p>pensions for one set of employees (Chairman/MDs) while contributing less for others who are also its employees, the <b>arbitrariness</b> becomes more pronounced.</p> <ul style="list-style-type: none"> <li> <b>Discrimination in Funding:</b> The core issue isn't just about the benefits received, but about how the employer's resources are allocated to fund those benefits. Why should the same employer contribute disproportionately more to a common fund for one group of employees, effectively subsidizing their higher pension linked to external benchmarks, while other long-serving employees receive a less favourable contribution, leading to a static basic pension? </li> <li> <b>Lack of Justification for Funding Disparity:</b> While the Delhi High Court noted the justification for the <i>benefit structure</i> (attracting talent, uniformity), it doesn't automatically justify a differential <i>contribution model</i> to a common fund that creates a two-tiered system within the same organization's pension scheme. The argument for "attracting talent" usually relates to salary and the overall package, not necessarily to a disproportionate contribution to a common, intra-organizational pension fund that disadvantages other long-serving employees. </li> <li> <b>Violation of Pension as an Earned Right:</b> If pension is an earned right, then the underlying contributions to secure that right should arguably be equitable for employees performing similar levels of service within the same organization, unless a very strong, demonstrable, and non-arbitrary reason exists for </li> </ul>
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		<p>the disparity in contributions for the same fund.</p> <p><b>Amplifying the Article 21 (Right to Dignity) Argument:</b></p> <p>The disparate contribution scheme further exacerbates the concerns under Article 21:</p> <ul style="list-style-type: none"> <li>• <b>Economic Vulnerability:</b> The fact that the <i>employer's contribution</i> for most employees leads to a "static basic pension" (only Dearness Relief on top, but no revision of the base amount due to pay commissions or inflation adjustment beyond DR) means that the real value of their pension steadily erodes over time. This makes their economic security in old age precarious.</li> <li>• <b>Systemic Disadvantage:</b> This isn't just a benefit disparity; it's a structural disadvantage built into the funding mechanism. The more generous contributions for the Chairman/MDs ensure their pension's purchasing power is better maintained over time, safeguarding their dignity in retirement, whereas for others, this is not the case. This strengthens the argument that the "right to live with human dignity" is being undermined for the majority of LIC pensioners.</li> </ul> <p><b>Key Legal Considerations &amp; Potential Arguments:</b></p> <ul style="list-style-type: none"> <li>• <b>Common Pool Principle:</b> The existence of a "common fund" makes the argument for discrimination even stronger. If funds are pooled, the basis for differential contributions <i>into</i> that pool, leading to vastly different <i>outcomes</i> for different segments of the employee base, would come under intense scrutiny.</li> </ul>
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