

Re: Revision of pensions and family pension for retired employees of Public Sector Group Insurance Companies

SHRI P.R. NATARAJAN (COIMBATORE): Pension scheme was introduced in public sector insurance companies, both life and general during 1995 with retrospective effect from 01.01.1986 in lieu of Contributory Provident Fund (CPF) Scheme. The scheme was framed on the basis of Central Civil Pension Rules, 1972 of Central Civil Service servants. But, periodical revision / updation of pension consequent on pay revision as was given to central government employees from 1st January 1996, on the basis recommendations of successive central pay commissions was not extended to Insurance pensioners. Hence, the insurance pensioners, particularly those retired in earlier years are paid pension, fixed on the date of retirement, as pension.

The family pension was fixed at the rate of 15% of last drawn salary of the deceased employee / pensioner. The paltry sum being paid as family pension now, is not sufficient for survival of family pensioners. Most of them are in penury. After much persuasion and organisational actions, the management of LIC agreed to enhance family pension to a uniform rate of 30% of last pay drawn without any ceiling. LIC Board's recommendation in this regard was sent to Government of India In September, 2019. PSGI companies also agreed to this demand and recommendation of General Insurers Public Sector Association (GIPSA), the umbrella organisation for public sector Insurance companies, was also sent to the Government in December, 2021. But the matter is still pending with Government for approval and notification. As the same has already been implemented in Reserve Bank of India and Public Sector Banks, was discussed in the Conference, the resolution adopted was forwarded to Hon'ble Minister of Finance but was not fruitful. We addressed letters to Chairpersons of LIC and GIPSA on 22.06.2022 seeking their effective intervention for early resolution of the issue. As no positive result was forthcoming, we went ahead with organisational action involving all pensioners and family pensioners by holding demonstration before all Offices of LIC / PSGI Companies on 4th August, 2022, throughout the country. It was followed up by submitting representations to Hon'ble Minister of Finance several times but to no avail.

I urge upon the Union Government to bestow attention in the matter and render them all possible assistance and help for getting the aforementioned genuine and fully justified demand of Insurance pensioners realised.