

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7807
ANSWERED ON:17.05.2002
LIC PENSION SCHEME
ARUN KUMAR

Will the Minister of FINANCE be pleased to state:

- (a) whether due to mismanagement of LIC, their pension scheme policy (Table 122) has been stopped on December 24,2001;
- (b) whether the new pension policy scheme started again from February 1, 2002 come without notification of tax benefits;
- (c) whether old policy holders of LIC`s pension policy (Table 122) will get regular tax benefits under Income Tax Act, Section 80 (CCC) till the maturity of their policy; and
- (d) if so, the reason behind stopping pension policy Table 122 before closing of financial year i.e. till March 31, 2002 in between on December 24,2001?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a): The Life Insurance Corporation of India, LIC has informed that with the fall in interest rates it may not be feasible to honor the contractual benefits with the existing premium rates for new policies. Therefore, they have withdrawn its Jeevan Suraksha Plan (Table No. 122) and introduced the new plan viz. New Jeevan Suraksha-I Plan.
- (b): LIC has informed that the Central Board of Direct Taxes (CBDT) has confirmed that tax relief under Section 80(CCC) is available under this new Plan i.e. under New Jeevan Suraksha-I Plan. However, the deduction under Section 80 (CCC) is not available to a Hindu Undivided Family.
- (c): The existing policyholders of Jeevan Suraksha (Table No. 122) will continue to get tax benefits under the Section 80(CCC) so long as these provisions under Income Tax Act, 1961 are in vogue.
- (d): The reason is given in (a) above. The review of the existing plans, their continuation, introduction of new plan/withdrawal of the existing plan is a continuous process and does not depend on the beginning/closing of a financial year.