

# General Insurance Pensioners All India Federation

(Regd. Under T. U. Act 1926 No.ALC/karyasan-17/11087)

H.O. : C/o. GIEAIA, 3rd Floor, Sterling Cinema Building, 65, Murzban Road, Fort, Mumbai - 400001.

**CHAIRMAN**  
R. P. SAMAL 9029970144  
**GENERAL SECRETARY**  
J. Banerjee,  
9892699099

**PRESIDENT**  
K.S.(KAKA) SAMANT, 9869279034  
**DY. GENERAL SECRETARY**  
Shyam Mathur,  
9829059250  
**ORG. SECRETARY**  
H.C. Kapoor,

**WORKING PRESIDENT**  
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**TREASURER**  
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**LEGAL SECRETARY**  
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**ADVISORY BOARD**  
A. J. Kulthe  
Sujit Das  
A. K. Singhal  
Dr. C.J. Philips

19<sup>th</sup> January, 2021.

Shri Anurag Thakur,  
Hon'ble Minister of State for Finance,  
Government of India,  
New Delhi.

Respected Sir,

At the outset we take the opportunity to introduce ourselves as General Insurance Employees Pensioners All India Federation with having 9000 members all over the country.

Pensioners are Senior Citizen and our Prime Minister always assures that maximum care will be taken of them as they grow old. Whilst Central Government Pensioners are taken care as per Pension Rules of 1972 cc Scheme by the Government but for Public Sector General Insurance through Pension Scheme 1995 as per Central Government 1972 scheme was introduced but we want to draw your kind attention that some genuine benefits which we are deprived of, are now given below:-

1. **Family Pension:** - Twenty three years ago on the June 1995 GIC Employees Pension Scheme was notified. We all class of employees from top to lowest were Jubilant of the welfare measure.

The Soul and Body of our pension scheme is IV Pay Commission of Central Government. The employer of Central Government employees march forward from IV Pay Commission to 7th Pay Commission to make the landmark improvement in the Pension Provision viz. improved Family Pension, updation of pension etc.

But we are stagnating from the year 1995. Since then after passage of long time, higher Inflation/Index rising of cost of medical health care in old age, top performing economy etc. require revisit of pension scheme provision by the policy maker in our industry and Government of India.

At present the Rate of Family Pension is in 3 slabs

Scale of Pay	Rate of Family Pension to employees Retired before 1/11/1993	Amount of Pension
Upto R. 1500/-	30% of the Pay	Rs.450/-
Rs.1501/- to Rs.3000/-	20% of the Pay	Rs.600/-
Above Rs.3000/-	15% of the Pay	Rs.450/-

The range of pay is revised on every wage revision after 5 years. The system of 3 slabs of 30%, 20%, 15% for payment of family pension is not scientific, logical and reasonable. Please think over the agony of family pensioners whose pension is brought down from 50% to 15%. Family pensioners is deprived of decent living heavily just after the death of pensioners.

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The Central Government too has adopted 30% family pension to all irrespective of pay. We request you to please remove 3 slabs of 30%, 20%, 15% and make the single slab of 30% of the pay for the basic pension to all family Pension.

Following this Reserve Bank of India improved the provision by making uniform family pension @ 30% of pay to all irrespective of pay. This ought to have been followed in Banks, LIC and GIC as pension scheme is identical in this financial sector.

This is being withheld for more than ten years. We apprehend that since some individual and Associations have sought legal remedy the authorities have taken rigid stand of excuse since matter is in the court.

**In the circumstances we urge the Government to intervene and take positive decision granting most needed relief to family pensioners who are senior citizens and mostly widows. The cost for such uniform increase will be affordable to GIPSA Companies.**


**2.Enhanced Family Pension in case of death of an employee while in Service:-** The pension scheme states "where an employee dies while in service the rate of family pension payable to the family shall be equal to 50% of the pay last drawn or twice the family pension admissible whichever is less shall be payable from the date of death of the employee for a period of 7 years or for a period upto the date on which the deceased employee would have attained the age of 65 years had he survived".

The provision is not in consonance with the present retirement age of 60 years. The employee may remain in service upto 60 years enhanced family pension being welfare measure has been extended for 7 years is restricted upto the age of 65 years the period of benefit is limited to 5 years instead of 7 years. The Government of India has changed the age to 67 years or 7 years period whichever is less. We request to make the age 67 years instead of 65 years. Cost for this is negligible but financial assistance to family is much reducing the hardship.

**3. Enhanced Pension after age of 80 years:** - At present Central Government Pensioners are getting enhanced pension @20% increase in basic pay after every five years provided they are alive and at the age of 100 they get 100% increase in their basic pay. In Public sector General Insurance this benefit is not extended.

**4. 100 % Dearness Relief:** - Pension scheme 1995 of GIC is identical with LIC, Bank & RBI which provided different rate of dearness relief. The principle was based on IV pay commission. Vth Pay commission brought the rate of dearness relief uniformly to 100% in 1996. Since then pensioner in Bank LIC & GIC are urging for 100% D. R. the 100% D.A. uniformly was achieved by serving employees w. e. f. 1st August 1997 of GIC. Such 100% D. R. Is granted to pensioners retired after 1st August 1997. However it is not extended to pensioners who retired prior to August 1997. Similar position is obtained in LIC Bank where as RBI pensioners are granted 100% D.R.

Since 1997 GIC pensioners are urging the companies to extend the 100% D. R. to pensioners retired before August 1997.

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By denying, the GIPSA companies are committing a breach of well laid down principle by Supreme Court that the pensioners are a homogeneous group and cannot be differentiated in such manner. Here again we gather that pensioners have sought legal remedy authorities are taking a hard stand let court decide. Earlier in principle it was agreed to released such D. R. LIC passed a resolution must be after consulting Government in 2001 sent to government for approval as required under the provision of LIC Act. This approval did not come for quite few years.

The effective date of the calculation may be similar to that of Delhi H. C. order in case of LIC. Federation has filed Petition in Bombay H. C. similar to that of LIC on 29/03/2010 which is admitted pending hearing. Therefore effective date at best can be from lodging of W. P. no.2560/2009 & REG.NO.w.p/328/2010 DT 29/03/2010.

The question of cost OF THE SAID DIFFERENCE is affordable as a sizeable pensioners retired between Jan 1986 & July1997 have died as they would have been between 98 years and 82 years this date. So also the difference is for the eight years only.

**5. Updation of Pension:** - Since 1995 pension scheme is static whereas the central government pension is moving upward with every Pay Commission. GIPSA Companies pensioners badly need upward revision which has not taken place in last 34 years (1986 to 2020). Pensioners are well aware of the complexity of the issue engulfing vast majority of pensioners with NEW Pension Scheme coming in to being as also several cases filed in the courts. There is no parity today between the cadre in drawing pension. A General Manager who retired in 1996 or prior to 1997 are getting around Rs.30,000/- p.m. as pension, whereas a General Manager retiring now is drawing pension of more that Rs.1.50 lacs p.m. Similarly in the case of all cadres old pensioners are hard pressed and find it extremely difficult to maintain their families.

**6. Staff Medclaim Scheme:** - GIPSA Companies employees & retirees have a unique staff medclaim scheme. This is adopted by LIC also. It is unique in insurance sector. The eligible sum insured is Rs.4,00,000/-, Rs.6,00,000/- & Rs.100000/- based on basic salary slabs.

The premium is shared in the ratio of 75% by the GIPSA Companies & 25% by employees & retirees. We desired some minor improvements like diagnostic test reimbursements without Hospitalisation. This is introduced in LIC where claim ratio is reduced to some extent and insured get alert & treatment well in time.

Government instruction to GIPSA will enable Companies to provide these most required facilities of diagnostic test reimbursement without hospitalization.

This will prove one step forward of Government`s assurance of SWASTHA BHARAT as also assurance of wellbeing of senior citizens

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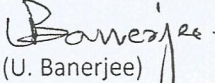
**7. Withdrawing GST on Personal line of Insurance:** - We would request you to consider our request for withdrawing of GST on Insurance based Personal lines like Mediclaim, Householders policy, Personal Accident Policy as most of the insured are paying Tax on their Income, GST is an added expenditure tax of which no benefit can be drawn by an insured.

There are few more issues of the pensioners like adhoc relief to very old retirees, lack of response from GIPSA to any matter related to Pensioners, issues on merger etc. these can wait for some time but above issues needs your personal attention which we are sure you will give preference and try to solve.

We look forward for some positive response from your end.

Thanking you,

Yours sincerely,

  
(U. Banerjee)  
General Secretary  
Encl: