

GENERAL INSURANCE PENSIONERS' ALL INDIA FEDERATION

{Regd.under T.U. Act 1926 No. ALC/Karyasan-17/11087}

HO: C/o GIEAIA, 3rd Floor, Sterling Cinema Building, 65, Murzban Road, Fort, Mumbai- 00001

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Dr. C.J. Philips

1st July, 2020.

Ms. Anuradha Prasad,
Additional Secretary,
Directorate General Labour Welfare,
New Delhi.

Respected Madam,

General Insurance (Employees) Pension Scheme 1995 was notified on 28th June 1995 vide SO 585(E) Of GOI M/O Finance Department of Economics affairs and was made effective from 1.11.1993. Vide Appendix V of this notification varying rates of family pension for different categories of employees i.e. 30%, 20% and 15% of pay were provided with the minimum of Rs.375/- p.m. to maximum of Rs.1275/- p.m.. These rates were exactly the same as those applicable to Central Government employees under CCS (Pension) Rules 1972. **Though in case of Central Govt. employees these varying rates of family pension have been replaced with uniform rate of 30% w.e.f. 1.1.1996 in accordance with 5th CPC recommendations.** Incase of General Insurance Employees varying rates of 30%, 20% and 15% are still in force.

Family pension is a social security provided to the family of the deceased employee but is linked to the pay/pension of the deceased employees/pensioner which, as per extant instructions, is payable at varying rates of 30%, 20% & 15% in case of General Insurance employees which are perhaps based on assumption that employees in higher grades could save a great deal, but this is no longer valid, with the substantial increase in the cost of living, even at 30% of the notional pay of the deceased means 40% cut in the family budget abruptly on the demise of the pensioner. This reduction is a cruelty inflicted upon the surviving members of the deceased and militates against the scheme of 'social security'. This sudden and deep cut in the income do cause much damage to the living condition in the higher rung of the pensioners whereas it is making the life miserable in the lower rung since there are some fixed cost of establishments such as housing, water, electricity, LPG, phone, internet & medical etc., on which expenses can't be curtailed because the number of family members fell short by one. At the most saving could be on food that will be minuscule. Having frittered away the personal savings and retirement benefits for the marriages of the wards and meeting other family commitments leaving the pension the lone and sole source of income to sustain the pensioner and the family which may include the spouse and other dependents like physically disabled child, widowed daughter/sister/mother at time of demise.

In para 134.14 of the report the Vth CPC observed that "It is one of the fundamental tenets of a social security scheme that the beneficiary should have the assurance that in the event of his death; his widow and children would have the necessary where-with-all to live in reasonable comfort. However, with the meager amount of present family pension this last desire of the employee/pensioner can hardly be met". Drawing support from the apex court's observation (verdict dt.17.12.1982 in D S Nakara v/s UOI case) that "pension should be such that pensioner would be able to live at a standard equivalent to the pre-retirement level", this rationale should equally apply to family pensioner".

Further in GIPSA companies whenever there is a pay revision (once in every five years) there is a proportional increase in the wages to the existing employees and the pensioners, however there is no such benefit to the Family pensioners.

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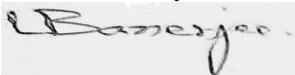
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Our Federation's representations to General Insurance Public Sector Association & Ministry of Finance are still to be considered since they probably are waiting specific directions / notes from Ministry of Labour and Department of Pension & Pensioners Welfare to it.

Taking the above and other relevant factors into consideration, the existing varying rates of family pension (30%, 20% and 15%) may be replaced by a uniform rate of 30% of pay for all categories of employees and the minimum pension be brought to the level of Central government minimum family pension of Rs 9000/ per month Plus D.A

Yours faithfully,



(U.Banerjee)
General Secretary,
General Insurance Pensioners All India Federation.