

Department: Personnel/ER/A
Circular No: CO/Per/ER-A/342/2024

Date: 01.07.2024

**TO ALL ZONAL MANAGERS-IN -CHARGE OF THE ZONES &
SR.DIVISIONAL MANAGERS-IN-CHARGE OF THE DIVISIONS:**

Re: **Instructions for implementation of the Life Insurance Corporation of India (Employees) Pension Rules, 1995 w.e.f 01.08.2022.**

As a consequence of revision of pay scales and other service condition of employees of the Corporation with effect from 01.08.2022, the Board, in exercise of powers conferred upon it vide Rule 36 & 37 of the Life Insurance Corporation of India (Employees) Pension Rules, 1995 has determined minimum pension and dearness relief. The Chairperson in exercise of the powers conferred upon him under Rule 55 of the said Pension Rules, 1995, has issued following instructions in the matter of pensionary benefits:

1. **Date of Commencement** - 01.08.2022.

2. **Applicability:**

These instructions shall be applicable to those employees who were in the whole-time salaried service in the Corporation as on 01.08.2022 and who are governed by LIC of India (Employees) Pension Rules, 1995 except those whose services are terminated under Rule 39 of LIC of India (Staff) Rules, 1960 or whose services has been terminated under LIC of India Development Officers (Revision of certain terms and conditions of service) Rules, 2009 as amended by the LIC of India Development Officers (Revision of certain terms and conditions of service) Rules, 2016 during the period from 01.08.2022 till the date of instructions (both days inclusive).

Provided, however, that an employee , who is otherwise eligible , may opt not to be governed by these instructions for which he/she has to submit the option form enclosed as **Annexure V**.

3. **Pay and Average Emoluments and Calculation of Pensionary Benefits :**

Since the revision of pay scales and other allowances in respect of all classes of employees on roll as on 01.08.2022 has come into force w.e.f 01.08.2022 , the pensionary benefits payable in respect of officers/ employees who retired on or after 01.08.2022, retired on or after 01.08.2022 and died or died while in service on or after 01.08.2022 will have to be re-calculated taking into account the revised "Pay" as defined under these rules.

In terms of proviso to sub-rule (o) of Rule 2 of LIC of India (Employees) Pension Rules, 1995, while calculating average emoluments in respect of employees whose 10 months period before retirement falls partly under pre-revised pay scales and partly under revised pay scales , the pay for the period for which they have drawn pay as per pre-revised scale may be updated by including the Dearness Allowance actually drawn by them or the Dearness Allowance upto the AICPI 8456 points to which the revised basic pay is pegged , whichever is less.

4. **Protection of Pension before Commutation upon revision of pay for employees who retired in August, 2022 and who are governed by LIC of India (Employees) Pension Rules, 1995.**

In terms of proviso to sub-rule (o) of Rule 2 of LIC of India (Employees) Pension Rules, 1995, the Pay in respect of the employees who retired in the month of August 2022 is also to be revised. These employees have drawn pay in the pre-revised scale for 9 months and in revised pay scale for 1 month that is to be updated with the dearness allowance actually drawn by them for the calculation of average

emoluments. In such cases it is observed that the revised total pension before commutation (revised basic pension before commutation plus revised dearness relief thereon) is less than the pre-revised total pension before commutation (pre-revised basic pension before commutation plus pre-revised dearness relief thereon) as on 01.08.2022. In such circumstances the pre-revised pension is to be protected till the time the revised basic pension before commutation plus the dearness relief thereon becomes more than the pre-revised basic pension before commutation plus pre-revised dearness relief thereon with rise in AIACPI. For the purpose, the difference in monthly pension to be protected as identified above shall be added to the revised monthly pension while making future pension payments. Needless to add that there shall be no protection of pre-revised pension once the total revised pension exceeds or becomes equal to the total pre-revised pension with subsequent rise in AIACPI. For this group of retirees, an example giving detailed calculation for this purpose is given in **Annexure VIII**.

5. Commuted Value:

As a result of the revision in Basic Pension, it would be necessary to recalculate the Commuted Value as per the option for Commutation Value given in **Annexure IV** exercised by such pensioners with reference to their earlier date of commutation and the payment of arrears on account of the same has to be settled to them.

6. Recovery of pension on account of revised commutation:

If the retired employees opt for revised commutation, the revised commutable basic pension will be higher and the revised monthly pension after commutation will be less than the monthly pension after commutation before revision and therefore there shall be recovery of monthly pension. The amount of said recovery may be adjusted against arrears on account of commuted value. A letter of Authority may be submitted by the pensioner/family pensioner for adjustment of excess amount of pension and dearness relief thereon from the Arrears of commutation value of pension because of updation of pension due to revision of pension as per **Annexure III**.

7. Minimum Pension:

Applicable in respect of	Minimum Pension
Class-III or Class-IV employee who had retired or died before 01.08.1992 and Class-II officers and I who had retired or died before 01.04.1993.	Rs 375 per month
Class-III and Class-IV employees who had retired or died on or after 01.08.1992 and Class-II officers and I who had retired or died on or after 01.04.1993.	Rs 720/- per month
Class I, II, III and IV employees who had retired or died on or after 01.08.1997.	Rs 1100/- per month
Class I, II, III and IV employees who have retired or died on or after 01.08.2002.	Rs 1480/- per month
Class I, II, III and IV employees who have retired or died on or after 01.08.2007.	Rs 1880/- per month
Class I, II, III and IV employees who have retired or died on or after 01.08.2012.	Rs 3010/- per month
Class I, II, III and IV employees who have retired or died on or after 01.08.2017.	Rs 4070/- per month

In terms of sub-rule (d) of Rule 36 of the said rules, in respect of employees belonging to Class-I, II, III and IV who retired on or after 01.08.2022, retired on or after 01.08.2022 and died or died while in service on or after 01.08.2022, the minimum pension shall be Rs 5420/- per month.

8. Protection of Minimum Pension:

Wherever the revised Total Pension (i.e revised minimum pension plus revised dearness relief thereon) is less than pre-revised Total Pension (i.e. pre-revised Minimum Pension plus pre-revised dearness relief thereon), the pre-revised Total Pension is to be protected.

9. Implementation of Order dated 27.04.2017 pronounced by High Court, Delhi.

Retired employees prior to 01.08.2022 who are in receipt of total pension [basic pension plus dearness relief thereon] is lower than the minimum pension as on 01.08.2022 would be entitled to the benefit of minimum pension irrespective of the date of retirement. Where such benefit of enhanced pension is granted, dearness relief would commence and would be calculated thereafter as per the applicable rate.

10. Dearness Relief:

In terms of sub clause 3(B) of Appendix-IV of the Pension Rules, 1995 in case of an employee who retired on or after 01.08.2022 , retired on or after 01.08.2022 and died or died while in service on or after 01.08.2022 and whose pensionary benefits have been calculated on the basis of revised "Pay" , the dearness relief on revised pension shall be payable for every rise or to be recoverable for every fall, as the case may be, for every 4 points over 8456 points in the quarterly Average Consumer Price Index for Industrial Workers in the series of 1960=100. Such increase or decrease in dearness relief for every said 4 points shall be at the rate of 0.06 percent of the Basic Pension. There shall be no change in other conditions regarding release of dearness relief. Further, for those who have opted not to be governed by these rules, the existing rule will continue to apply without any change.

The number of slabs for which the dearness relief becomes payable as per the pre-revised and revised instructions has been shown in **Annexure VI**.

11. Procedure for effecting changes and sanction of updation of Pension, Commuted Value and Family pension:

To give effect to the aforesaid changes to Pension Rules/Instructions and also for calculation, sanction of pension/family pension , commuted value, disbursement etc. all offices are requested to refer the Circular No ZD/831/ASP/95 dated 05.07.1995 and further circulars issued from time to time including these instructions for implementation and **Annexure- I to VIII** of this circular.

The changes in pension and commutation value must be communicated to the pensioner for their record and for facilitating their decision whether or not to be governed by the Amended Instructions as per **Annexure II**

All the offices are requested to maintain the revised data, pension/family pension/commuted value as well as the data prior to revision , for submitting the same to P&GS Department for calculation of annuities, purchase price etc. All the changes arising out of pension revision may be incorporated in monthly data and shall be sent by e-mail to OS Department, Central Office immediately.

General:

If there is any doubt as to application/interpretation of any of the rules or instructions, reference should be made to Central office.

Executive Director (Personnel)

Enclosures: Annexure I to VIII