

सत्यमेव जयते

The Life Insurance Corporation (Modification of Settlements) Act, 1976

(ACT NO. 72 OF 1976)

[*As on the* 08*th September*, 2026]

LIST OF ABBREVIATIONS USED

G.S.R.	*for*	General Statutory Rules.
S.O.	„	Statutory Order.
Notifn.	„	Notification.

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THE LIFE INSURANCE CORPORATION (MODIFICATION OF SETTLEMENTS) ACT, 1976

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title.
2. Definitions.
3. Modification of settlements.

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THE LIFE INSURANCE CORPORATION (MODIFICATION OF SETTLEMENTS) ACT, 1976

ACT NO. 72 OF 1976

[29*th May*, 1976.]

An Act to provide for the modification of the settlements arrived at between the Life Insurance Corporation of India and their workmen.

BE it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Life Insurance Corporation (Modification of Settlements) Act, 1976.

2. Definitions.—In this Act, unless the context otherwise requires,—

(*a*) "Corporation" means the Life Insurance Corporation of India established under section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956);

(*b*) "salary" means basic pay and includes—

(*i*) special pay, if any;

(*ii*) dearness allowance; and

(*iii*) additional dearness allowance;

(*c*) "settlements" means,—

(*i*) the settlement which was arrived at between the Corporation and their workmen on the 24th day of January, 1974, under section 18, read with clause (*p*) of section 2, of the Industrial Disputes Act, 1947 (14 of 1947); and

(*ii*) the settlement which was arrived at between the Corporation and their workmen on the 6th day of February, 1974, under section 18, read with clause (*p*) of section 2, of the said Act and in respect of the terms of which there was no approval as provided for in sub-clause (*2*) of clause 12 thereof.

3. Modification of settlements.—Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), the provisions of each of the settlements, in so far as they relate to the payment of an annual cash bonus to every Class III and Class IV employee of the Corporation at the rate of fifteen per cent. of his annual salary, shall not have any force or effect and shall not be deemed to have had any force or effect on and from the 1st day of April, 1975.

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STATEMENT OF OBJECTS AND REASONS

The provisions of the Payment of Bonus Act, 1965 do not apply to the employees employed by the Life Insurance Corporation of India. However, the Corporation has, as a matter of practice, been paying bonus to its employees. The bonus to Class I and Class II employees is being paid in pursuance of agreements between the Corporation and such employees. The bonus to Class III and Class IV employees is being paid under the terms of settlement arrived at between the Corporation and such employees from time to time. In terms of the settlement arrived at between the Corporation and its Cass III and Class IV employees on 24th January, 1974 under the Industrial Disputes Act, 1947, which is in force up to the 31st March, 1977, bonus is payable by the Corporation to its Class III and Class IV employees at the rate of fifteen per cent. of their annual salary without any maximum limit.

2. It is proposed to set aside, with effect from the 1st April, 1975, these provisions of the settlement arrived at between the Corporation and its Class III and Class IV employees on 24th January, 1974 to enable the Corporation to make *ex gratia* payments to such employees at the rates determined on the basis of the general Government policy for making *ex gratia* payments to the employees of the non-competing public sector undertakings.

3. The Bill seeks to achieve the above object.

NEW DELHI; C. SUBRAMANIAM.

The 24*th March,* 1976.

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