

**THE STATE LIFE EMPLOYEES (PENSION)
REGULATIONS, 1986****C O N T E N T S**

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[January, 1987]

No. PL-23(11).- In exercise of the powers conferred by Article 49 of the State Life Insurance (Nationalization) Order, 1972 (P. O. 10 of 1972), the State Life Insurance Corporation of Pakistan, with the previous approval of the Federal Government is pleased to make the following Regulations, namely:—

CHAPTER I

GENERAL

1. Short-title, commencement and application.- (1) These Regulations may be called the State Life Employees (Pension) Regulations, 1986.

(2) They shall come into force at once and shall be deemed to have taken effect from the 10th of January, 1984.

(3) They shall apply to all employees of the Corporation except those:—

- (a) Whose terms of service are governed by Industrial Relations Ordinance, 1969 (XXIII of 1969);
- (b) who are paid from Office contingencies;
- (c) who hold non-pensionable post as declared by the Corporation; and
- (d) who are employed on part-time basis.

2. Definitions.- In these Regulations, unless there is anything repugnant in the subject or context,—

- (a) "Accounts Officer" means an officer of the Corporation so designated;
- (b) "Annexure" means an annexure to these Regulations; and

* Published in the Gazette of Pakistan, Part VI, Karachi, dated 18th February, 1987, at pages 47-52.

- (c) "Corporation" means the State Life Insurance Corporation of Pakistan.

3. **Option.**- All employees to whom these Regulations apply, shall, within 90 days of the publication of these Regulations give their option whether to be governed by the State Life Insurance Corporation Employees Contributory Provident Fund Regulation, 1975 or by these Regulations. An employees opting for these Regulations shall ceased to be governed by the Contributory Provident Fund Regulations. An employee who does not opt for these Regulations will be presumed to have opted for the Contributory Provident Fund Regulation.

4. **Sanctioning Authority.**- The Chairman of the Corporation or a person authorised by him shall be the authority competent to sanction the pension.

5. **Creation of Pension Fund.**- (1) There shall be created a pension fund to which shall be transferred and credited the accumulated balances of employer's contribution to the Contributory Provident Fund and the Gratuity and the provisions on the same account in the budget for the year 1985-86 proportionate to the share of the employees who opt for these Regulation alongwith the interest on these sums and thereafter there shall be made regularly contribution to the fund at the rate not exceeding 5 per centum of the pay roll.

(2) The Pension Fund shall be administered under an irrevocable trust as an approved superannuation fund under the Income Tax Ordinance, 1979 (XXXI of 1979).

6. **General Conditions Governing Entitlement to Pension.**- (1) The Corporation reserves to itself the right to recovery from the pension of a pensioner on account of losses found in judicial or departmental proceedings to have been caused to the Corporation by the negligence or fraud of such pensioner during his service, provided that such departmental proceeding shall not be instituted after a period of more than a year from the date of retirement of the pensioner.

(2) In case the amount of pension granted to an employee be afterwards found to be in excess of that to which he is entitled under the Regulations he shall be called upon to refund such excess.

(3) In case and employee of any other organization is permanently absorbed in the service of the Corporation, the Corporation may accept the pensionery liability in respect of such an employee subject to the condition that pension scheme exists in the former organization from where the employee has been transferred and that organization pays the proportionate liability for the period the employee remained in their services. Such pension contributions will be recovered from the concerned organization at the rate

approved by the corporation.

(4) The pension or the gratuity under these Regulations shall not be paid unless the pensioner produces a certificate issued by a designated authority in the office or establishment of the Corporation to the effect that nothing is outstanding against the retiring employee upto the date of his retirement.

CHAPTER II

PENSIONS

7. **Invalid Pension.-** An invalid pension shall be granted to an employee who, by bodily or mental infirmity, has been permanently incapacitated for further service in the Corporation or for the particular branch of it, to which he belongs, if infirmity has been certified by a medical board constituted by the pension sanctioning authority.

8. **Superannuation Pension.-** Superannuation pension shall be granted to an employee who retires from service on completion of the sixtieth year of his age in accordance with Regulation 20(ii) of the State Life Employees (Service) Regulations, 1973.

9. **Retiring Pension.-** A retiring pension shall be granted to an employee who is retired from service after completion of 25 years of service in accordance with Regulation 20(i) of the State Life Employees (Service) Regulations, 1973.

10. **Service Qualifying for Pension.-** The continuous service with the corporation together with continuous service, if any, rendered prior to the formation of the Corporation and transferred to Corporation under Article 19 of the Life Insurance (Nationalization) Order, 1972 (P. O. 10 of 1972) shall be counted towards the qualifying service of the employee.

Provided that a transfer made between the 18th March, 1972 and 31st October, 1972 within the Life Insurance Sector, the management of which stood vested in the Federal Government under Article 4 of the Life Insurance (Nationalization) Order, 1972 (P. O. 10 of 1972) shall be deemed to be continuation of service.

Note:- Change of employment from one insurer to another prior to the 18th March, 1972, shall constitute a break in service.

(2) Temporary and officiating service followed by confirmation shall be counted for pension or gratuity subject to the exclusion of broken periods of temporary or officiating service, if any.

(3) All periods of leave, other than extraordinary leave, shall count as service qualifying for pension.

(4) Service out side the Corporation shall also count for pension if such service was undertaken with prior approval of the Corporation, the terms and conditions of such service, including pension contribution were prescribed by the corporation and the pension contribution, as prescribed, was paid by the borrowing organization or the employee himself.

11. Interruptions.- An interruption in the service of an employee entails forfeiture of his past service except in the following cases:—

- (i) authorised leave of absence;
- (ii) suspension immediately followed by reinstatement; and
- (iii) time occupied in transit from one appointment to another.

12. Period of suspension.- (1) Time passed under suspension pending enquiry into conduct shall count towards the qualifying service if the suspension is immediately followed by reinstatement irrespective of whether the employee was or was not allowed full pay and allowance for that period.

(2) If an employee, who has been suspended pending enquiry into his conduct, attains the age of superannuation before completion of the enquiry, the disciplinary proceedings against him shall abate and such employee shall retire with full pensionary benefits and the period of suspension shall be treated as period spent on duty.

13. Condonation of Interruptions and deficiencies.- (1) Upon such conditions as it may think fit in each case to impose, the authority competent to fill the appointment held by an employee at the time condonation is applied for, were he to vacate the appointment, may condone all interruptions in his service.

- (2) (a) A deficiency of a period not exceeding six months in the qualifying service of an employee shall be deemed to have been condoned automatically.
- (b) The authority competent to sanction pension may condone a deficiency of more than six months but less than a year, subject to the following conditions, namely:
 - (i) That the employee has died while in service or has retired under circumstances beyond his control, such as

invalidation and he would have completed another year of qualifying service if he had not died or retired; and

- (ii) That the service rendered by the employee is meritorious.
- (c) A deficiency of one full year or more in the qualifying service of an employee shall not be condoned.
- (d) No deficiency in service shall be condoned in case of an employee who has rendered less than five years of service.

14. Emoluments reckoned for pension.- The emoluments for the purpose of pension shall include:

- (a) Pay granted to an employee which has been sanctioned for the post held by him substantively or in an officiating capacity or to which he is entitled by reasons of his position in a cadre;
- (b) Special pay of all types and nature;
- (c) Technical pay;
- (d) Personal pay;
- (e) Indexed pay;
- (f) Dearness allowance sanctioned from time to time;
- (g) Increments accrued during LPR; and
- (h) Any other emoluments which may specifically be declared as emoluments reckoning for pension.

15. Average emoluments.- The terms "Average Emoluments" means the average calculated upon the last 12 months of service. If during the last 12 months of his service, an employee has been absent from duty on leave without allowances or having been suspended, has been reinstated without forfeiture of service his emoluments, for the purpose of ascertaining the average, should be taken at what they would have been, had he not been absent from duty or suspended, provided always pension must not be increased on account of increase in pay not actually drawn. If during the last three years of his service, an employee has been absent from duty on leave without pay and allowance (not counting for pension) or suspended under such circumstances that the period of suspension does not count as service, the period so passed should be

disregarded in the calculation of average, an equal period before the three years being included.

16. Amount of Pensions.- (1) The full pension admissible under these Regulations is not given as a matter of course. The service rendered should be really approved. If the service has not been thoroughly satisfactory, the authority sanctioning the pension should make such reduction in the amount as it thinks proper.

(2) The amount of pension that may be granted to an employee is determined by the length of service as set forth in annexure I. Total service excluding the periods of interruption and leave without pay shall be rounded off to nearest full year. A period of less than 6 months shall be ignored for this purpose and of six months or more counted as a full year.

(3) The amount of gratuity and pension is regulated as under:—

- (i) After a service of 5 years or more but less than 10 years, a gratuity not exceeding one month's emoluments for each completed year of service: Provided that if the retirement is due to invalidation the rate shall be one and half month's emoluments for each completed year of service.
- (ii) After a service of 10 years or more, pension shall be calculated at the rate of 70 per cent of average emoluments on completion of 30 years qualifying service in accordance with scale shown in the table Annex I.
- (iii) A pensioner shall be allowed to draw full gross pension (one-fourth of the pension need not compulsorily be paid in the form of gratuity). But if an employee so wishes, he may, at any time before the expiry of one month from the date of his retirement, opt for gratuity in lieu of 25 per cent of his gross pension together with the remaining net amount of pension. The gratuity in lieu of 25 per cent of gross pension shall be calculated at the following rates for each rupee of the portion payable in the form of gratuity:
 - (a) If qualifying service is 10 years or more but less than 15 years. Rs. 187/-
 - (b) If qualifying service is 15 years or more but less than 20 years. Rs. 173/-

(c) If qualifying service is 20 years or more.Rs.160/-

(iv) The pension shall be indexed in the manner adopted by the Federal Government from time to time.

(4) A pensioner who draws gratuity in lieu of 25 per cent of his gross pension, may also opt to commute another 25 per cent of the gross pension. The commuted value shall be calculated in accordance with the Schedule given in the table below:-

Age next birth day	Number of years purchases	Age next birth day	Number of years purchases	Age next birth day	Number of years purchases.
20	24.265	41	18.956	62	11.104
21	24.061	42	18.541	63	10.713
22	23.853	43	18.318	64	10.327
23	23.640	44	17.988	65	09.946
24	23.424	45	17.650	66	09.570
25	23.203	46	17.307	67	09.200
26	22.973	47	16.965	68	08.836
27	22.747	48	16.596	69	08.478
28	22.513	49	16.231	70	08.127
29	22.273	50	15.859	71	07.783
30	22.028	51	15.481	72	07.448
31	21.777	52	15.096	73	07.121
32	21.522	53	14.707	74	06.802
33	21.260	54	14.313	75	06.494
34	20.993	55	13.915	76	06.194
35	20.720	56	13.513	77	05.906
36	20.242	57	13.109	78	05.627
37	20.157	58	12.702	79	05.360
38	19.867	59	12.294	80	05.104
39	19.570	60	11.886		
40	19.267	61	11.497		

(5) If a pensioner does not opt to draw gratuity in lieu of 25 per cent of his gross pension, he shall be allowed to commute upto 50 percent of the gross pension.

(6) Commutation shall not be subject to medical certification if it is asked for within one year of the date of retirement but in the case of premature retirement on medical grounds, the requirement of medical examination shall not be waived.

(7) The commuted portion of pension to the extent of 25 percent of gross pension shall be restored in the case of the pensioners out living the number of years for which commuted value was paid. In restoring the commuted portion of pension fraction of a year in the commutation table which is less than 6 months will be ignored and that of six months or more will count as one year.

CHAPTER III

COMMUTATION OF PENSION

17. The application for commutation shall be addressed to the pension sanctioning authority. On receipt of the application for commutation the sanctioning authority will transmit to the applicant a copy of the Accounts Officer's certificate of the lump-sum to be paid on commutation and direct him to appear for examination before a medical board constituted by the sanctioning authority. The applicant must appear before the medical board within three months of the date of orders of the sanctioning authority. This intimation will be treated as administrative sanction for commutation: but will lapse if the medical examination is not held within the period fixed for the sanctioning authority. If the applicant does not appear before the medical board within the prescribed period, the sanctioning authority may, at his discretion, renew the administrative sanction for a further period of three months. The applicant can withdraw his application for commutations by written notice despatched at any time before medical examination, but this option will expire on the appearance before a medical board.

18. The commutation will become absolute, i.e. the title to receive the commuted portion of pension will cease and the title to receive the commuted value will accrue on the date on which the medical board signs the medical certificate. Whatever the date of actual payment, the amount paid and the effect upon the pension will be same as if the commuted value was paid on the date on which commutation becomes absolute. If the pensioner died on or after the date following that on which commutation become absolute but before receiving the commutation value, this value will be paid to his heirs.

CHAPTER IV

19. Anticipatory Pension.- (1) When an employee is likely to retire before his pension can be finally assessed and settled, the pension sanctioning authority shall furnish to the Accounts Officer all the particulars of services in respect of the retiring employees. The Accounts Officer shall arrange the disbursement of pension, to which after the most careful summary investigation, that he can make without delay, he believes the employee to be entitled, provided that such disbursements shall be made only after the declaration specified in annexure 10 II has been signed by the retiring employee.

(2) If the Accounts Officer considers it likely that the employee would be entitled to a gratuity only, one sixth of the amount of such probable gratuity should upon a similar declaration, be disbursed monthly until the amount is finally settled.

(3) The payment of the anticipatory pension should be so arranged that it is not delayed beyond the first day of the month following the month in which the employee is due to retire.

CHAPTER V

FAMILY PENSION

20. Family, etc.- For the purpose of payment of gratuity and pension payable to the family of an employee under this Chapter, the family, procedure and the form for making nomination to receive the payment, in the absence of the nomination the rights *interse* of various relatives of the employee and indexation of such pension shall be same as are prescribed for a civil employee of the Federal Government.

21. Employee dying while in Service.- In the event of the death of an employee who (i) has rendered a service of 5 years or more but less than 10 years there shall be paid to his family gratuity equal to the amount that would have been paid to the employee had he would have retired on invalid pension on the date of his death; and (ii) has rendered qualifying service for 10 years or more there shall be paid to his family a gratuity calculated in accordance with the provision of Regulation 16(3) (ii) and 50 per cent of the pension calculated as if the employee had retired on invalid pension on the date of his death. Family pension will be payable from the date following the date of death.

22. Employee dying after Retirement.- In the event of the death of a pensioner employee there shall be paid to his family 50 per cent of gross pension.

23. Anticipatory Family Pension.- Anticipatory pension as provided in

Chapter IV shall also be admissible to the family of an employee. In such case gratuity admissible to the family will be calculated on 25 per cent to the amount of pension on which the Anticipatory pension to the family is based.

CHAPTER VI

EXTRAORDINARY PENSION

24. (1) Where an employee is injured, killed or dies of injuries received during the execution of his duties he or his family, as the case may be, shall be awarded such pension/ gratuity or children allowance and subject to such conditions and other limitations as is awarded to civil employees of the Federal Government. The classification of disability, the rate of pension, gratuity or children allowance, principle and procedure for determining attributability to service of the disability and the rights of family members to such pension or gratuity will be the same as prescribed for civil employees of the Federal Government.

(2) An award made under this Chapter shall not effect any other pension or gratuity for which an employee or his family may be eligible under proceeding. Chapters of these Regulations provided that in the case of an employee to whom the Workmen Compensation Act, 1923, applies:—

- (a) an award shall be paid under the provision of this Chapter only if the authority competent to sanction it considers that the compensation payable under the Act is in the particular case, inadequate, and
- (b) the amount of an award paid to any such person shall not exceed the difference between the amount otherwise admissible under these rules and amount of compensation payable under the Act.

ANNEXURE J

PENSION TABLE

[Regulation 16(3) (ii)]

Completed years of qualifying service	Scale of pension expressed as fractions of average emoluments.
10	70/300
11	77/300
12	84/300
13	91/300
14	98/300
15	105/300
16	112/300
17	119/300
18	126/300
19	133/300
20	140/300
21	147/300
22	154/300
23	161/300
24	168/300
25	175/300
26	182/300
27	189/300
28	196/300
29	203/300
30 and above	210/300

ANNEXURE II**DECLARATION****[Regulation 19 (1)]**

Whereas the (here state the designation of the Officer sanctioning the advance) has consented provisionally to advance me a pension of Rs..... per month and lump sum gratuity of Rs..... in anticipation of the completion of the enquiries necessary to enable the corporation to fix the amount of my pension and gratuity. I hereby acknowledge that in accepting this advance, I fully understand that my pension and gratuity are subject to the revision on the completion of the necessary formal enquiries, and I promise to have no objection to such revision on the ground that the provisional pension and gratuity now to be paid to me exceed the pension and gratuity to which I may be eventually found entitled. I further promise to repay an amount advanced to me in excess of the pension and gratuity to which I may be eventually found entitled.

(Signature of the employee)

Witnesses:

1. _____
2. _____