

# THE PUNJAB GENERAL PROVIDENT FUND RULES (PUNJAB CIVIL SERVANTS ACT), 1974

## CONTENTS

1. [General](#)
2. [Constitution of the Fund](#)
3. [Nominations](#)
4. [Subscribers' Accounts](#)
5. [Conditions and rates of subscriptions](#)
6. [Realization of Subscriptions](#)
7. [Interest](#)
8. [Advances from the Fund](#)
9. [Payments towards insurance policies and family pensions funds](#)
10. [Final withdrawal of accumulations in the fund](#)
11. [Procedure Rules](#)

## THE PUNJAB GENERAL PROVIDENT FUND RULES (PUNJAB CIVIL SERVANTS ACT), 1974

### NOTIFICATION

In exercise of the powers conferred by Section 23 of the Punjab Civil Servants Act, 1974 and in supersession of the rules contained in Chapter-XIII of C.S.R. (Punjab), Volume-II, the Governor of the Punjab is pleased to make the following rules namely:—

#### 1. General.—

- 1.1. (a) These rules may be called the Punjab General Provident Fund Rules, 1978.
- (b) They shall come into force at once.
- 1.2. (1) In these rules:
  - (a) "Accounts Officer" means such officer as may be appointed in this behalf by the Auditor General of Pakistan;
  - (b) Except where otherwise expressly provided emoluments means pay, leave salary or subsistence grant as defined in the Civil Service Rules (Punjab), Volume-I;
  - (c) "Family" means:
    - (i) in the case of a male subscriber, the wife or wives and children of a subscriber, and the widow, or widows, and children of a deceased son of the subscriber; provided that if a subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance she shall henceforth be deemed to be no longer a member of the subscriber's family in matters to which these rules relate, unless the subscriber subsequently indicates by express notification in writing to the Accounts Officer that she shall continue to be so regarded;
    - (ii) in the case of a female subscriber, the husband and children of a subscriber, and the widow or widows and children of a deceased son of a subscriber:

Provided that if a subscriber by notification in writing to the Accounts Officer expresses her desire to exclude her husband from her family, the husband shall henceforth be deemed to be no longer a member of the subscriber's family in matters to which these rules relate, unless the subscriber subsequently cancels formally in writing her notification excluding him.

**Explanation 1**--"Children" means legitimate children.

**Explanation 2**--An adopted child shall be considered to be a child only when the Accounts Officer, or if any doubt arises in the mind of the Accounts Officer, the Solicitor to Government, Punjab, is satisfied that under the law applicable to the subscriber adoption is legally recognized as conferring the status of a natural child.

**Explanation 3**-- In a case in which a person has given his child in adoption to another person and if, under the law applicable to the adaptor, adoption is legally recognized as conferring the status of a natural child, such a child shall for the purposes of these rules be considered as excluded from the family of the natural father.

- (d) "Fund" means the General Provident Fund;

- (e) "leave" means any variety of leave recognized by the Civil Services Rules (Punjab);
  - (f) "Year" means a financial year;
  - (g) "Continuous Service" means service which includes all kinds of leave with or without pay and Foreign Service.
- (2) Any other expression used in these rules which is defined either in the Provident Fund Act, XIX of 1925 (reproduced in Appendix 1) or in the Civil Services Rules (Punjab), Volume-1, Part-1 is used in the sense therein defined.

(3) Nothing in these rules shall be deemed to have the effect of terminating the existence of the General Provident Fund as heretofore existing or of constituting any new Fund.

## 2. Constitution of the Fund.

1.3. The Fund shall be maintained in Pakistan in rupees.

1.4. All Government servants in permanent, temporary or officiating service (including probationary service) shall be eligible to joining the fund:

Provided that a Government servant subscribing to a Contributory Provident Fund shall not be eligible to join this Fund.

- 1.5. (1) (a) A Government servant who has completed 2 years' continuous service shall subscribe to the Fund compulsorily.
- (b) Deleted vide Notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989. Previous version is available at Sr. No.1 of page 106.
- (c) Government servant who has been re-employed for more than 2 years shall subscribe to the Fund compulsorily and those re-employed for 2 years or less shall be allowed to join the Fund as optional subscriber.
- (d) In the case of re-employed personnel whose pension on re-employment is wholly or partly held in abeyance, the rate of subscription shall be determined on the basis of pay actually receivable from Government ignoring the amount of pension drawn separately.
- (e) A Government servant appointed on contract whose contract does not provide for subscription to the Fund may be given the option to join the Fund as compulsory subscriber.

(2) Any other Government servant may at his option join the Fund.

1.6. (1) Government servant who exercises the option allowed by rule 1.5 (2) may discontinue subscription to the Fund at any time, but his right to the renewal of subscription shall lapse if he discontinues subscribing, ~~\*(except when on leave)~~ more than three times.

**Explanation:** Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989. Previous version is available at Sr. No. 2 at page 106.

(2) If a Government servant discontinues subscribing to the Fund, his right to resume subscription lapses under sub-rule (1). He shall be subject to the rights and liabilities of a subscriber to the Fund; and he shall not be allowed to finally withdraw his deposits except on the happening of one of the contingencies provided for in rule 1.33, 1.34 and 1.35.

(3) Once a subscriber has applied for the payment of the amount in the Fund under sub-rule (c) of rule 1.33, he shall not have the option to withdraw his application even if he is retained in service beyond the age of his superannuation.

---

\*Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

### 3. Nominations.

- 1.7. (1) A subscriber shall, as soon as may be after joining the Fund, send to the Accounts Officer, a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund, in the event of his death before that amount has become payable, or having become payable has not been paid:

Provided that if, at the time of making the nomination, the subscriber has a family the nomination shall not be in favour of any person other than members of his family.

**Explanation** --A declaration made by a Muslim subscriber in favour of his adopted child should not be accepted, as adoption is not recognized by Islamic Law.

- (2) If a subscriber nominates more than one person under sub-rule (1), he shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Fund at any time.
- (3) Every nomination shall be in such one of the Forms P.F.1, 1-A, 1-B, or 1-C, as is appropriate in the circumstances.
- (4) A subscriber may at any time cancel a nomination by sending a notice in writing to the Accounts Officer:

Provided that the subscriber shall, along with such notice, send a fresh nomination made in accordance with the provisions of sub-rule (1) to (3).

- (5) Without prejudice to the provisions of sub-rule (4), a subscriber shall along with every nomination made by him under this rule send to the Accounts Officer a contingent notice of cancellation which shall be in such one of the Forms P.F. 2 or 2-A, as is appropriate in the circumstances.
- (6) Immediately on the occurrence of any event by reason of which the contingent notice of cancellation referred to in sub-rule (5) becomes operative and the nomination to which that notice relates consequently stands cancelled, the subscriber shall send to the Accounts Officer a fresh nomination made in accordance with the provisions of sub-rule (1) to (3).
- (7) Every nomination made, and every notice of cancellation given by a subscriber, shall, to the extent it is valid, take effect on the date on which it is received by the Accounts Officer.
- (8) Nothing in sub-rule (1) to (3) shall be deemed to invalidate, or to require the replacement by a nomination thereunder of, a nomination duly made before, and subsisting on the date of \*(promulgation of these rules):

Provided that in respect of every such nomination, the subscriber shall as soon as may be after the said date send to the Accounts Officer a contingent notice of cancellation in such one of the Forms P.F. 2 or 2-A as is appropriate in the circumstances.

### 4. Subscribers' Accounts.

1.8. An account shall be prepared in the name of each subscriber and shall show the amount of his subscriptions with interest thereon calculated as prescribed in sub-rule (2) of Rule 1.13.

### 5. Conditions and rates of subscriptions.

- 1.9. (1) Except as provided in rule 1.6 a subscriber shall subscribe monthly to the Fund except during a period of suspension:

(1<sup>st</sup> proviso deleted, vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989. Previous version is available at Sr. No. 3 page 106).

---

\*Substituted for the words "this notification" vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

\*\* Provided that a subscriber on re-instatement after a period passed under suspension shall pay the arrears of subscription for the period of suspension in one sum or, at his option, in monthly installments equal to the amount of his monthly subscription.

- (2) Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989. Previous version is available at Sr. No. 5 of page 106.
- (3) No deduction of the monthly subscription shall be made from the pay bill of a subscriber for the month in which his application under sub-rule (c) of rule 1.33 is made.

**Explanation** --A civilian Government servant when called to army service, including employment in the Army in Pakistan Reserve of Officers, will continue to subscribe to the Fund in accordance with these rules. Subscription to the Fund will be optional in the case of those who may be employed in Military service out of Pakistan. \*(While in Military employ subscription to the Fund will be calculated according to the basic pay scale to which he would have been entitled had he continued in civil employ.

@ 1.10. (1) The subscription shall be at a fixed rate for every Government servant as given in the following table:

| <u>Basic Pay Scale</u> | <u>* Rate of monthly subscription</u> |
|------------------------|---------------------------------------|
|                        | Rs.                                   |
| BS-1                   | 50                                    |
| BS-2                   | 85                                    |
| BS-3                   | 85                                    |
| BS-4                   | 90                                    |
| BS-5                   | 95                                    |
| BS-6                   | 100                                   |
| BS-7                   | 100                                   |
| BS-8                   | 110                                   |
| BS-9                   | 120                                   |
| BS-10                  | 125                                   |
| BS-11                  | 130                                   |
| BS-12                  | 145                                   |
| BS-13                  | 250                                   |
| BS-14                  | 265                                   |
| BS-15                  | 285                                   |
| BS-16                  | 325                                   |

\*\*2<sup>nd</sup> proviso was substituted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989. Previous version is available at Sr.No.4 page 106.

\*Substituted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989. Previous version is available at Sr.No. 6 of page 107.

@ Substituted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989. Previous version is available at Sr. No. 7 of page 107.

\* Amended vide Notification No. FD.SRI-2-1/95 dated 5<sup>th</sup> July 1995.

|       |      |
|-------|------|
| BS-17 | 450  |
| BS-18 | 560  |
| BS-19 | 780  |
| BS-20 | 920  |
| BS-21 | 1040 |
| BS-22 | 1120 |

- (2) For the purposes of sub-rule (1), the basic pay scale of a subscriber shall be the scale to which he was entitled on the first day of June of the preceding year.
- (3) If the subscriber was on deputation in Pakistan or abroad on the first June of the preceding year, his basic pay scale shall, for the purpose of sub-rule (1), be the scale to which he would have been entitled had he not been on deputation.
- (4) In the case of a subscriber who was not in Government service on the 1st June of the preceding year, the basic pay scale, for the purposes of sub-rule (1), shall be the scale to which he was entitled on the first day of his service or, if he joined the Fund for the first time under the operation of rule 1.5 on a date subsequent to the first day of his service, the scale to which he was entitled on such subsequent date.
- (5) The amount of subscription shall remain unchanged throughout the year.
- (6) The amount of subscription of a subscriber is not to be varied during the course of the year on account of any change in his basic pay scale which may be found to be due retrospectively from the first June of the preceding year.

1.11. When a subscriber is transferred to Foreign Service or sent on deputation out of Pakistan he shall remain subject to the rules of the Fund in the same manner as if he were not so transferred or sent on deputation.

## 6. Realization of Subscriptions.

- 1.12 (1) When pay is drawn <sup>\*</sup>(from a Government treasury in Pakistan or through a Pakistan embassy abroad), recovery of subscriptions and of the principal and interest of advances shall be made from the emoluments themselves.
- (2) When emoluments are drawn from any other source, the subscriber shall forward his dues monthly to the Accounts Officer.
- (3) If a Government servant fails to subscribe with effect from the date on which he is required to join the Fund under rule 1.5 the total amount due to the Fund on account of arrears of subscription shall, with interest thereon at the rate provided in rule 1.13, forthwith be paid by the subscriber to the Fund, or in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber by installments or otherwise, as may be directed by the authority competent to grant an advance under sub-rule(1) of rule 1.14.

## 7. Interest.

- 1.13 <sup>\*\*</sup>(1)(a) Subject to the provisions of sub-rule (5) below, Government shall pay to the credit of the amount of a subscriber interest at such rate as may be determined for each year according to the method of calculation prescribed from time to time by the competent authority;

---

\*Substituted for the words "in Pakistan or abroad" vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

\*\*Sub-rule (1) of rule 1.13 was renumbered as 1(a) and clause (b) was added there under vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

Provided that, if the rate of interest determined for a year is less than 4%, all existing subscribers to the Fund in the year preceding that for which the rate has for the first time been fixed at less than 4 per cent, shall be allowed interest at 4 per cent;

Provided further that Government servants who are re-employed after retirement shall be entitled to a rate of interest as admissible to other Government servants from time to time. Those entitled to the rate of interest at 4% before retirement will not be entitled to the same rate on re-employment.

<sup>\*</sup>(b) In addition to the interest mentioned in clause (a) of this sub-rule, an amount equal to 30% the amount of interest calculated according to the prescribed method shall also be credited to the account of the subscriber for each year.

(2) Interest shall be credited with effect from the last day in each year in the following manner:

- i) on the amount at the credit of a subscriber on the last day of the preceding year, less any sums withdrawn during the current year - interest for twelve months;
- ii) on sums withdrawn during the current year- interest from the beginning of the current year up to the last day of the month preceding the month of withdrawal;
- iii) on all sums credited to the subscribers' account after the last day of the preceding year - interest from the date of deposit up to the end of the current year;
- iv) the total amount of interest shall be rounded to the nearest whole rupee (fifty paisa counting as the next higher rupee):

Provided that when the amount standing at the credit of a subscriber has become payable, interest shall thereupon be credited under this clause in respect only of the period from the beginning of the current year or from the date of deposit, as the case may be up to the date on which the amount standing at the credit of the subscriber became payable.

(3) In this rule, the date of deposit shall, in the case of a recovery from emoluments, be deemed to be the first day of the month in which it is recovered; and in the case of an amount forwarded by the subscriber shall be deemed to be the first day of the month of receipt, if it is received by the Accounts Officer before the fifth day of that month, but if it is received on or after the fifth day of that month the first day of the next succeeding month.

(4) In addition to any amount to be paid under rule 1.32, 1.33 or 1.34, interest thereon up to the end of the month preceding that in which the payment is made, shall be payable to the person to whom such amount is to be paid:

Provided that where the Accounts Officer has intimated to that person (or his agent) a date on which he is prepared to make payment in cash, or has posted a cheque, in payment to that person, interest shall be payable only up to the end of the month preceding the date so intimated, or the date of posting the cheque as the case may be:

Provided further that if the person entitled to the payment does not send an application in that behalf within six months of the date on which the amount standing to the credit of the subscriber has become payable, interest shall not be payable beyond the end of the sixth month after the month in which the amount became payable.

(5) Interest shall not be credited to the account of a Muslim subscriber if he informs the Accounts Officer that he does not wish to receive it; but if he subsequently asks for

---

<sup>\*</sup>Sub-rule (1) of rule 1.13 was renumbered as 1(a) and clause (b) was added there under vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

interest, it shall be credited with effect from the first day of the year in which he asks for it.

**Explanation**-When a subscriber intimates in writing his intention to forego interest already accrued on his deposits in the Provident Fund, the interest should be withheld and credited to Government revenues.

The interest already credited to the subscriber's account in such cases should be readjusted by debit to his Provident Fund Account by contra-credit to the object ("61000-Interest" or head "1130000-Interest") according as the amount of interest was originally credited to the subscriber's account during the current year or previous years.

- (6) The interest on amounts which under sub-rule (3) of rule 1.12, sub-rule (5) of rule 1.19, sub-rule (3) of rule 1.22, sub-rule (4) of rule 1.24, sub-rule (1) of rule 1.26, sub-rule 1 and 2 of rule 1.27, rule 1.23 or rule 1.33 are replaced at the credit of the subscriber in the Fund shall be calculated at such rates as may be successively prescribed under sub-rule (1) of this rule and so far as may be in the manner described in this rule.

**Explanation 1**-- when a subscriber is <sup>\*</sup>(dismissed, removed or compulsorily retired) from the service of Government but has appealed against his <sup>\*</sup>(dismissal, removal or compulsory retirement), the balance at his credit shall not be paid over to him until final orders confirming the decision are passed on his appeal. Interest shall however, be paid on the balance up to the end of the month preceding that in which such orders are passed.

**Explanation 2**-- No interest shall be allowed on the amount recovered on account of the General Provident Fund subscription in excess of the actual amount due.

**Explanation 3**-- The adjustment of overpayment shall be made from the balance outstanding in the General Provident Fund of the subscriber to the extent of interest in that amount and not from the contribution made by the official from his salary.

When the excess payment of subscription is adjusted by short payments in subsequent months, interest should be allowed for the latter months on the full amount due, the balance having been already received in the former months.

## 8. Advances from the Fund.

1.14. (1) A temporary advance may be granted to the subscriber from the amount standing to his credit in the Fund at the discretion of the competent authority subject to the following conditions:

- (a) No advance shall be granted unless sanctioning authority is satisfied that the applicant's pecuniary circumstances justify it, and that it will be expended on the following object or objects and not otherwise:
- i) to pay expenses incurred in connection with the prolonged illness of the applicant or applicant's spouse or any person actually dependent upon the applicant;
  - ii) to pay for the overseas passage for reasons of health or education of the applicant or any person actually dependent on him;

---

\*See history of amendments at Sr. No. 13 page 112.

\*\*Substituted for the word "dismissed" vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

Substituted for the word "removal" vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

<sup>a</sup> Added vide Notification No. FD.SR.I-2-1/2000 dated 12<sup>th</sup> December 2002



- iii) to pay obligatory expenses on a scale appropriate to the applicant's status in connection with the marriages, funerals or ceremonies which by his religion it is incumbent on him to perform;
- iv) to purchase a plot of land for the construction of a house or to purchase a house or to construct one for the occupation of the subscriber himself or his family on a piece of land owned by the subscriber or to make additions to or alterations in an existing house owned by the subscriber, whether or not constructed or purchased with a house building advance;
- v) to purchase a conveyance (car, scooter, motor cycle or bicycle);
- (vi) to meet other expenditure which is considered by the sanctioning authority to be essential and unavoidable.

**Explanation--** A temporary advance may be granted to the subscriber for the performance of Haj.

Note: In case falling under item (i) above, advances may be granted by the sanctioning authority to pay debts incurred; provided an application is made within a reasonable time after the event to which it relates. What is a reasonable time will be determined on the merits of each case. Advances to pay debts incurred in cases falling under item (ii) and (iii) require the sanction of Government.

(b) The sanctioning authority shall record in writing its reasons for granting the advances:

Provided that if the reason is of a confidential nature, it may be communicated to the Accounts Officer personally and/or confidentially.

(c) An advance other than that covered by clause (a) (iv) and (v) shall not except for special reasons to be recorded in writing by the sanctioning authority:

- (i) exceed three months pay or half the amount at the credit of the subscriber in the Fund whichever is less; or
- (ii) unless the amount already advanced does not exceed two thirds of the amount admissible under clause (c) (i), be granted until at least twelve months after the final repayment of all previous advances together with interest thereon:

Provided that the above conditions shall not be relaxed in the case of an advance falling under clause (a) (vi) above:

\*Provided further that in no case the second advance shall be granted before the final repayment of the previous advances together with interest thereon;

Provided further that a second non-refundable advance shall not be granted until a period of one year has elapsed since the drawl of the previous advance.

(d) an advance under clause (a) (iv) shall be subject to the following special conditions:

- i) Advance shall in no case exceed twenty four months pay of the subscriber or eighty per cent of the amount at the credit of the subscriber in the Fund, whichever is less;
- ii) Advance granted for construction of a house shall be paid in two equated installments;
- iii) If the first installment is not utilized for the purpose of construction of the house within eight months of its drawl, it shall be refunded unless the sanctioning authority extends this period;

---

\*Added vide notification No. FD/SRI2-3/83 (Prov) dated 02.04.1989.

- iv) For the purpose of drawl of the second installment the subscriber shall be required to give under his hand a certificate to the effect that he has actually utilized the first installment on the construction of the house;
  - v) The subscriber shall not dispose of the house purchased or constructed with an advance from the Fund until the advance has been repaid or the subscriber retires from Government service;
  - vi) Recovery shall be made at the rate of seven per cent of the subscriber's pay commencing from the fourth issue of pay after the first installment of the advance is drawn;
  - vii) In case a subscriber also draws or has drawn a house building advance from Government, the recovery on account of the advance from the Fund shall commence immediately after the advance obtained from Government has been fully repaid with interest thereon.
- (e) i) An advance for the purchase of car, scooter/ motor cycle or a bicycle shall not exceed:
- In the case of car-12 months' pay of the subscriber or half the balance at his credit in the Fund whichever is less;
- In case of scooter/motor cycle -- six months pay of the subscriber or half the balance at credit in the Fund, whichever is less;
- In the case of a bicycle -- four months pay of the subscriber or half the balance at his credit in the Fund, whichever is less.
- ii) The subscriber shall give under his hand a certificate to the effect that he has actually utilized the advance for the purchase of the conveyance for which the advance was applied for.
  - iii) The subscriber shall not dispose of the conveyance so purchased unless the advance has been repaid or the subscriber retires from Government service.
  - iv) In all cases in which the conveyance is sold before the advance has been fully repaid with interest, the sale proceeds must be applied, so far as may be necessary, towards the repayment of any outstanding balance.
  - v) The recovery shall be made at the rate of seven per cent of the subscriber's pay commencing from the fourth issue of pay after the drawl of the advance.
  - # vi) Advance drawn for conveyance (i.e. balance thereof) shall become non-refundable on the subscriber attaining the age of 50 years.
- (2) In fixing the amount of an advance the sanctioning authority shall pay due regard to the amount at the credit of the subscriber in the Fund.

**Explanation I**--In sanctioning advances the instructions given in Appendix-II and III ~~(to this Chapter)~~ should be carefully observed by the authority competent to sanction the advances.

**Explanation II**-- The authorities competent to grant advances under this rule are give in Appendix-IV ~~\*\* (to this Chapter)~~.

1.15. After a subscriber has attained the age of fifty years, the competent authority may, in its discretion, grant him an advance for any of the purposes specified below subject to the conditions mentioned against each purpose:

a) For construction of a house (1) The advance shall mutatis

# Added vide F.D. notification No. FD-SRIV-2-15/79 dated 4<sup>th</sup> August 1980.

\*Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

\*\*Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

on a piece of land owned by the subscriber or to make additions to or alteration in an existing house owned by him. mutandis be governed by the same terms and conditions as applicable to an advance under clause (a) (iv) of sub rule (1) of rule 1.14.

Provided that, subject to condition (3) no recovery of the advance shall be made from the subscriber and the amount advanced shall be treated as part of the final payment of the amount standing at the credit of the subscriber when the final payment becomes due. (2) The first installment of the advance shall be drawn only after an agreement is executed between the subscriber and the Governor in Form P.F.9. (3) In case the house is sold or otherwise alienated by the subscriber without repayment of the advance and before his retirement from service, the subscriber shall forthwith repay into the Fund the entire amount of the advance together with the interest accrued thereon, in a lump sum.

(b) For purchase of a house for his residence.

(1) The amount of the advance shall not exceed eighty per cent of the amount standing to his credit in the fund.

(2) Subject to conditions (1), (3) and (4) the advance shall, mutatis mutandis, be governed by the same terms and conditions as applicable to an advance under sub rule(a).

(3) In case the house is not purchased within three months of the drawl of the advance the subscriber shall forth with repay into the Fund the entire amount of the advance together with the interest accrued thereon, in a lump sum.

(4) The Advance may be drawn in full at once but satisfactory evidence shall be produced before the Audit Officer to show that the Advance for the purchase of the house has been spent within three months of its drawl. This can be done by showing to the Audit Officer a duly executed receipt for the amount paid.

(5) The advance shall be drawn only after an agreement is executed between the subscriber and the Governor in Form P.F.10.

(c) For purchase of agricultural land from Government.

(1) The amount of the advance shall not exceed eighty percent of the amount standing at his credit in the Fund.

(2) Subject to condition (1) the advance shall mutatis

mutandis, be governed by the same terms and conditions as applicable to an advance under sub rule(a).

Provided that the advance may be drawn in lump sum if so desired by the subscriber.

(3) The advance shall be drawn only after an agreement is executed by the subscriber and the Governor in form P.F.11.

(d) For any of the following purposes, namely:

• ((1) The amount of the advance shall not exceed 12 months pay of the subscriber or 80 per cent of the amount standing to his credit in the Fund whichever is more).

(i) to defray expense in connection with the prolonged illness of the subscriber or a member of his family actually dependent upon him.

(2) No recovery of an advance under this clause shall be made from the subscriber and the amount shall be treated as part of the final payment of the amount standing at the credit of the subscriber when the final payment becomes due.

(ii) To pay for the overseas passage of the subscriber for reason of health or for the performance of Haj.

(iii) To pay for the overseas passage for reasons of education of any member of the subscriber's family actually dependent on him and such other lump sum expenditure as admission or advance tuition fees of any such members.

(iv) To pay obligatory expenses

---

<sup>1</sup>Substituted vide Notification No. FD-SR-IV-2-15/79 dated 4<sup>th</sup> August 1980. Previous version is available at Serial No. 8 page 109.

on a scale appropriate to the subscriber's status in connection with funerals or ceremonies which by his religion it is incumbent upon him to perform on in connection with the marriage of any member of his family actually dependent on him.

**\*1.16.** A subscriber who has attained the age of 50 years may draw non-refundable advance to the extent of 100% balance in the account on the date of application for the grant of advance, without assigning any reason.

**\*1.17.** A subscriber shall be entitled to draw a second advance, at any time, on non-refundable basis.

**1.18.** (1) The competent authority may in its discretion, grant an advance for the construction of a house on non-refundable basis to a subscriber<sup>\*</sup>(~~whose G.P.Fund is not interest bearing and~~) who has attained the age of 45 years. The rule shall also be applicable to such of the subscribers who have already incurred a liability to discharge to a financial institution in connection with the construction of their house.

(2) The advance shall mutatis mutandis be governed by the terms and conditions applicable to an advance under sub-rules (a) and (b) of Rule 1.15.

**1.19.** (1) An advance shall be recovered from the subscriber in such number of equal monthly installments as the sanctioning authority may direct, but such number shall not be less than twelve unless the subscriber so elects, or in any case more than thirty six. A subscriber may at his option, repay more than one installment in a month. Such installment shall be a number of whole rupees, the amount of the advance being raised or reduced, if necessary, to admit of the fixation of such installments.

(2) Recovery shall be made in the manner prescribed in rule 1.12 for the realization of subscriptions, and shall commence on the first occasion after the advance is made on which the subscriber draws pay, or remuneration on Foreign Service, for a full month. Recovery shall not be made except with the subscriber's consent, while he is <sup>#</sup> (~~on leave or~~) in receipt of subsistence grant and may be postponed on the subscriber's written request, by the sanctioning authority during the recovery of an advance of pay granted to the subscriber.

**Explanation I** -- The expression "advance of Pay" includes any ordinary advance of pay granted under the relevant rules, such as the rule 10.25 (a) and (f) of the Punjab Financial Rules Volume-I, but does not include advances for the building or repair of house or for the purchase of a conveyance.

**Explanation II** -- Deleted vide notification No. FD/SRI- 2-3/83 (Prov) dated 02.04.1989 previous version is available at Sr. No. 10, page 110.

(3) Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989 previous version is available at Sr. No.11 of page 110.

---

<sup>\*\*</sup> Rule 1.16 substituted vide Notification No. FD.SR.I-2-1/2000 dated 12<sup>th</sup> December 2002

<sup>§</sup> Rule 1.17 substituted vide Notification No. FD.SR.I-2-1/2000 dated 29<sup>th</sup> May 2003

<sup>\*</sup>Deleted vide notification No. FD.SR-1-2-1/76 dated 20<sup>th</sup> September 1982.

<sup>#</sup> Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

- (4) (a) After the principal of the advance has been fully repaid, interest shall be paid thereon at the rate of one-fifth per cent of the principal for each month or broken portion of a month during the period between the drawl and complete repayment of the principal:

Provided that Muslim subscribers whose deposits in the Fund carry no interest shall not be required to pay into the Fund any additional installments on account of interest on advance granted to them from the Fund.

- (b) Interest shall ordinarily be recovered in one installment in the month after complete repayment of the principal; but, if the period referred to in sub-rule 4 (a) exceeds twenty months, interest may, if the subscriber so desires, be recovered in two equal monthly installments. The method of recovery shall be that prescribed in sub-rule (2).

Payments shall be rounded to the nearest rupee in the manner prescribed in clause (iv) of sub-rule (2) of rule 1.13.

- (5) If an advance has been granted to a subscriber and drawn by him and the advance is subsequently disallowed before repayment is completed, the whole or balance of the amount withdrawn, shall, with interest at the rate provided in rule 1.13 forthwith be re-paid by the subscriber to the Fund, or in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber by installments or otherwise as may be directed by the sanctioning authority:

Provided that Muslim subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

- (6) Recoveries made under this rule shall be credited as they are made to the subscriber's account in the Fund.

## **9. Payments towards insurance policies and family pensions funds.**

1.20. Subject to the conditions hereinafter contained in rule 1.21 to 1.36:

- (a) (i) subscriptions to a family pension fund approved in this behalf by the competent authority; or
- (ii) payments towards a policy of life insurance; may, at the option of a subscriber, be substituted in whole or part for subscription due to the Fund;
- (b) the amount of subscription with interest thereon standing to the credit of a subscriber in the Fund may be withdrawn to meet:-
- i) a payment towards a policy of life insurance;
- ii) the purchase of a single payment insurance policy;
- iii) the payment of a single premium or subscription to a family pension fund approved in this behalf by the competent authority:

Provided that no amount shall be withdrawn (1) before the details of the proposed policy have been submitted to the Accounts Officer and accepted by him as suitable, or (2) to meet any payment or purchase made or effected more than twelve months before the withdrawal; or (3) in excess of the amount required to meet a premium or subscription actually due for payment within six months of the date of withdrawal:

Provided further that payment towards an educational endowment policy may not be substituted for subscription to the Fund and that no amount may be withdrawn to meet any payment or purchase in respect of such a policy if that policy is due for payment in whole or part before the subscriber's age of normal superannuation:

Provided further that amounts withdrawn shall be rounded to the whole rupee.

Note 1: See also Explanation No. 4 below rule 1.24 (3).

- 1.21. (1) If the total amount of any subscriptions of payments substituted under sub-rule (a) of rule 1.20 is less than the amount of the ~~\*(minimum)~~ subscription payable to the Fund under rule 1.10 (1) the difference shall be rounded to the nearest rupee in the manner provided in clause (iv) of sub rule (2) of rule 1.13 and paid by the subscriber as a subscription to the Fund.

Note: The period, for which the difference referred to in this rule should be calculated for the purpose of affecting the recovery, should be one financial year. Any amount of subscription to a family pension fund or of payments towards a policy of life insurance in excess of the\* ~~(minimum)~~ amount of subscription payable into the General Provident Fund in any financial year should not be set off against any difference payable under this rule in respect of any other financial year.

- (2) If the subscriber withdraws any amount standing to his credit in the Fund for any of the purpose specified in sub-rule (b) of rule 1.20 he shall, subject to his option under sub-rule (a) of that rule, continue to pay to the Fund, the subscription payable under rule 1.10:

Provided that no subscription shall be payable by a Government servant who in exercise of the option allowed by rule 1.6 (1) has ceased to subscribe to the Fund.

- 1.22. (1) Subscriber who desires to substitute a subscription or payment under sub-rule (a) of rule 1.20 may reduce his subscription to the Fund accordingly:

Provided that the subscriber shall:

- (a) intimate to the Accounts Officer on his pay bill or by letter the fact of, and reason for, the reduction;
- (b) send to the Accounts Officer, within such period, as the Accounts Officer may require receipts or certified copies of receipts in order to satisfy the Accounts Officer that the amount by which the subscription has been reduced was duly applied for the purposes specified in sub-rule (a) of rule 1.20.
- (2) A subscriber who desires to withdraw any amount under sub-rule (b) of rule 1.20 shall:
- (a) intimate the reason for the withdrawal to the Accounts Officer by letter;
- (b) make arrangements with the Accounts Officer for the withdrawal; and
- (c) send to the Accounts Officer, within such period as the Accounts Officer may require, receipts or certified copies of receipts in order to satisfy the Accounts Officer that the amount withdrawn was duly applied for the purposes specified in sub-rule (b) of that rule.
- (3) The Accounts Officer shall order the recovery of any amount by which subscriptions have been reduced or of any amount withdrawn, in respect of which he has not been satisfied in the manner required by clause (b) of sub-rule (1) and sub-clause (c) of sub-rule (2) with interest thereon at the rate provided in rule 1.13 from the emoluments of the subscriber, and place it to the credit of the subscriber in the Fund.

- 1.23 (1) The Government shall not make any payment on behalf of subscribers to Insurance Companies nor take steps to keep a policy alive.

- (2) A policy to be acceptable under these rules shall be one effected by the subscriber himself on his own life and shall (unless it is a policy effected by a male subscriber which is expressed on the face of it to for the benefit of his wife, or of his wives and children, or any of them) be such as may be legally assigned by the subscriber to the Governor of the Punjab.

---

\*Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

§Deleted vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.



**Explanation-1-** A policy on the joint lives of the subscriber and the subscriber's wife or wives or husband shall be deemed to be a policy on the life of the subscriber for the purposes of this clause.

**Explanation-2-** A policy which has been assigned to the subscriber's wife or wives shall not be accepted unless either the policy is first re-assigned to the subscriber or the subscriber and his wife both join in an appropriate assignment.

- (3) The policy may not be affected for the benefit of any beneficiary other than the wife or wives or husband of the subscriber or the wife or wives or husband, and children of the subscriber or any of them.
- 1.24. (1) The policy, within three months after the first withholding of a subscription or withdrawal from the Fund in respect of the policy; or in the case of an insurance company whose headquarters are outside Pakistan, within such further period as the Accounts Officer, if he is satisfied by the production of the completion certificate (interim receipt), may fix, shall:
- (a) unless it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife or wives of the subscriber, or if his wife or wives and children, or any of them, except an Endowment Policy of the usual type, be assigned to the Governor of the Punjab as security for the payment of any sum which may become payable to the Fund under rule 1.29 and delivered to the Accounts Officer, the assignment being made by endorsement on the policy in Form P.F. 3 or Form P.F. 4 or Form P.F. 5 according as the policy is on the life of the subscriber or on the joint lives of the subscriber and the subscriber's wife or wives or husband or the policy has previously been assigned to the subscriber's wife or wives;
- (b) if it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife or wives of the subscriber, or of his wife or wives and children or any of them, be delivered to the Accounts Officer.
- (2) The Accounts Officer shall satisfy himself by reference to the Insurance Company, where possible, that no \*(prior) assignment of the policy exists.

**Explanation --** A policy on the life of a subscriber which is not expressed on the face of it to be for the benefit of his wife or wives, or his wife or wives and children or any of them and which has been assigned to his wife or wives may be accepted under sub-rule (1) (a) provided the wife or wives joins in the assignment in favour of the Governor. The assignment in such a case shall be made out in Form P.F. 4 the words "the joint assured" in that form being omitted. The question of re-assignment of such a policy in a case in which the assured dies before the date of maturity of the policy and before his retirement should be referred for the orders of Government together with the policy.

- (3) Once a policy has been accepted by an Accounts Officer for the purpose of being financed from the Fund, the terms of the policy shall not be altered, nor shall the policy be exchanged for an other policy without the prior consent of the Accounts Officer to whom details of the alterations or of the new policy shall be furnished.

**Explanation 1:** i)--When a subscriber proposes to convert a policy which has been assigned to the Governor of the Punjab into a paid up policy it should first be ascertained whether the Insurance Company intends to issue a new document. If it does, the policy should be re-assigned to the subscriber in the following form namely:

"I \_\_\_\_\_ Accountant-General, acting on behalf of the Governor of the Punjab, hereby reassign unto \_\_\_\_\_ the within policy of assurance".

The new policy should be assigned to the Governor of the Punjab and handed over to the Accounts Officer.

If the company proposes to convert the policy into a paid-up to by means of an endorsement thereon to that effect, the policy should either be handed to the subscriber for \_\_\_\_\_

\*Added vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

transmission to the Insurance Company or be sent direct by the Accounts Officer, but in either case with a request that the policy when so endorsed by the Company be returned direct to the Accounts Officer. If there is thereby a radical change in the benefits derivable under the policy a memorandum may be required to be endorsed and signed by the Accounts Officer as well as the subscriber acknowledging the altered position.

- ii) In the case of paid-up policies it is necessary to see that the paid up value of the policy is not less than the amount of the premia diverted from the Fund. The amount of interest which should have accrued on such premia had they been left in the Fund should not be taken into account in the calculation. If the paid up value is less than the total of the sums withdrawn from the Fund for premium payments, not including interest, the subscriber should forthwith be required to pay the difference into the Fund. Any profits stated by the Company to have accrued on the policy up to the date of its conversion, should however, be taken into account in calculating the difference, only if the company is prepared to guarantee the profits by making an entry on the policy.
- iii) In the case of a policy assigned to the Governor of the Punjab which a subscriber wants to surrender the policy may be re-assigned to the subscriber for the purpose of the surrender, on the condition that he pays the surrender value of the policy in to his Fund Account, and if the surrender value be less than the total of the sums diverted form the Fund for premium payments and interest thereon, that he also repays the difference into the Fund. In other words such cases should be treated like those of lapsed policies, and the Fund Account has to be restored to what it would have been had the premia not been paid out of it.
- iv) In cases both of paid up and surrendered policies in which it is considered that the recovery in a single installment of the difference to be paid into the Fund Account will cause hardship to the individual concerned, recovery should be effected in such number of installments, not exceeding 36 as the Head of the Department, may, with the concurrence of the Accounts Officer, decide. If recovery is made in installments interest will not be charged in the case of paid up policies even for the period of actual recovery but interest at the usual rate will be charged for this period in the case of surrendered policies.

**Explanation 2--** The provisions of Explanation-1 above cover cases for final surrender of policies and not of exchange of policies. Accordingly, a holder of a policy assigned to Government who desires to improve his position by replacing one policy by a better one should be permitted to do so subject to the following conditions being observed, namely:

- i) The new policy should carry the same or a larger amount of insurance.
- ii) The premium in respect of the new policy should not be more than the premium paid in respect of the old policy.
- iii) The new policy should mature within the same year as the old policy.
- iv) The new policy should be in force on the date on which original policy is surrendered.)

**Explanation 3--** A policy of Life Insurance may be converted into an extended term policy if a Government servant who has taken out a policy of life insurance may find after payment of premium for a certain number of years that he is unable to continue further payments. In such an event, certain insurance companies allow an option to the assured to convert the policy into an extended term policy on terms and conditions which are generally laid down at the back of the policy. The features peculiar to such an extended term policy are viz:

- i) that the assured is covered for a specified period beyond the date from which he ceases to pay premia;
- ii) that the company foregoes all future premia on the policy;
- iii) that the company undertakes to pay the assured the full amount of the policy only in the event of his death within the extended period; and

- iv) that, if the assured survives that period, he is entitled to receive nothing from the company; in certain circumstances only a very nominal amount.

**Explanation 4**--Certain Insurance Companies issue policies on the "term assurance" scheme, some of the features peculiar to which are given below:

- i) If the assured dies within the specified period, assurance money becomes payable but if he outlives that period no payment is made;
- ii) No surrender value is allowed at any time; and
- iii) The policyholder is given the option during the currency of the policy of taking out a fresh policy under any other plan issued by the company concerned. This is restricted to endowment/Assurance policies in certain companies-- without being required to pass a medical examination. The premium payable and other conditions attaching to the new policies, however, are the same as for a fresh entrant at his age at the time of exercising the option, the only tangible benefit obtained being that the company is bound to issue him a policy irrespective of the state of his health.

As these policies partake, in essential of the features of the extended term policies referred to in Explanation 3 above, it is undesirable that they should be allowed to be financed from Provident Funds. Such policies should not, therefor, be accepted under these Rules.

**Explanation 5**-- The provisions of Explanation 2 above contemplate the surrender of a policy or the substitution of a better policy in another office. In many cases in which it is to the advantage of a policyholder to replace his policy by a policy in another and better office the policy which is to be replaced may not be entirely surrendered. Insurance companies allow as an alternative to the surrender of the existing policy a fully paid up policy for a reduced sum insured as a quid pro quo for premiums paid prior to discontinuance of further premiums. The existing policy remains in force as paid up policy and constitutes part insurance cover of addition to the sum insured under the new policy. Thus as a result of the replacement transaction, the policyholder holds insurance in two offices partly in the old and partly in the new office. If the total amount of insurance cover given by the two policies be the same or larger than the amount of insurance given by the old policy prior to the discontinuance of premiums thereunder the first of the conditions set out in the Explanation referred to above should be regarded as satisfied.

- (4) If the policy is not assigned and delivered, or delivered, within the said period of three months or such further period as the Accounts Officer, may, under sub-rule (1), have fixed, any amount with-held or withdrawn from the Fund in respect of the policy shall, with interest thereon at the rate provided in rule 1.13, forthwith be paid or repaid as the case may be, by the subscriber to the Fund or, in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber by installments or otherwise, as may be directed by the authority competent to sanction the G.P. Fund Advance.
- (5) Notice of assignment of the policy shall be given by the subscriber to the Insurance Company, and the acknowledgment of the notice by the Insurance Company shall be sent to the Accounts Officer within three months of the date of assignment.

**Explanation 1**-- Subscribers should send notices of the assignment to the Insurance Company in duplicate accompanied in cases in which the notice has to be sent to a Company in U.K. or Ireland, by a remittance of five shillings, which is the fee for the acknowledgment authorized by the policies of Assurance Act, 1867.

**Explanation 2**-- Subscribers who proceed to U.K. or Ireland on quitting the service should note that under the English Stamp Law assignment or reassignment are required to be stamped within 30 days of their first arrival in those countries, otherwise penalty will be incurred under Stamp Act, and difficulties may arise when the policy matures for payment.

1.25. The subscriber shall not during the currency of the policy draw any bonus, the drawl of which during such currency is optional under the terms of the policy or deposit the cash value of the accrued bonus with the company to accumulate at interest. The amount of any bonus which under the terms of the policy the subscriber has no option to refrain from drawing during its

currency shall be paid forthwith into the Fund by the subscriber or in default recovered by deduction from his emoluments by installments or otherwise as may be directed by the authority competent to grant an advance under sub-rule (1) of rule 1.14.

1.26. (1) Save as provided by rule 1.30 when the subscriber:

- (a) quits the service; or
- (b) has proceeded on leave preparatory to retirement and applies to the Accounts Officer for reassignment or return of the policy; or
- (c) while on leave has been permitted to retire or declared by a competent medical authority to be unfit for further service and applies to the Accounts Officer for reassignment or return of the policy; or
- (d) pays or repays to the Fund the whole of any amount withheld or withdrawn from the Fund for any of the purposes mentioned in clause (ii) of sub-rule (a) of rule 1.20 and clauses (i) and (ii) of sub-rule (b) of that rule with interest thereon at the rate provided in rule 1.13;

the account Officer shall--

- (i) if the policy has been assigned to the Governor of the Punjab under rule 1.24, reassign the policy in Part-1 of Form P.F. 7 to the subscriber or to the subscriber and the joint assured as the case may be and make it over to the subscriber together with a signed notice of the reassignment addressed to the Insurance Company;
- (ii) if the policy has been delivered to him under clause (b) of sub-rule (1) of rule 1.24 make over the policy to the subscriber:

Provided that if the subscriber after proceeding on leave preparatory to retirement or after being while on leave permitted to retire or declared by a competent medical authority to be unfit for further service returns to duty any policy so reassigned or made over shall if it has not matured or been assigned or charged or encumbered in any way be again assigned to the Governor of the Punjab and delivered to the Accounts Officer or again be delivered to the Accounts Officer as the case may be in the manner provided in rule 1.24 and thereupon the provisions of these rules shall, so far as may be, again apply in respect of the policy:

Provided further that if the policy has matured or been assigned or charged or encumbered in any way the provisions of sub-rule (4) of rule 1.24 applicable to a failure to assign and deliver a policy shall apply.

(2) Save as provided by rule 1.30 when the subscriber dies before quitting the service, the Accounts Officer shall--

- (i) if the policy has been assigned to the Governor of the Punjab under rule 1.24 re-assign the policy in part-II of Form P.F.7 to such person or persons as may be legally entitled to receive it, and shall make over the policy to such person or persons together with a signed notice of the reassignment addressed to the Insurance Company;
- (ii) if the policy has been delivered to him under clause (b) of sub-rule (1) of rule 1.24 make over the policy to the beneficiary, if any, or, if there is no beneficiary to such person or persons as may be legally entitled to receive it.

1.27. (1) If a policy assigned to the Governor of the Punjab under rule 1.24 matures before the subscriber quits the service, or if a policy on the joint lives of a subscriber and the subscriber's wife or wives or husband, assigned under the said rule falls due for payment by reason of the death of the subscriber's wife or wives or husband, the Accounts Officer, shall, save as provided by rule 1.30 proceed as follows:

- (i) if the amount assured together with the amount of any accrued bonuses is greater than the whole of the amount withheld or withdrawn from the fund, in respect of the policy with interest thereon at the rate provided in rule 1.13, the Accounts Officer shall re-assign the policy in the Form P.F. 8 to the subscriber

or to the subscriber and the joint assured as the case may be, and make it over to the subscriber who shall immediately on receipt of the policy moneys from the Insurance Company pay or repay to the Fund the whole of any amount withheld or withdrawn with interest, and in default, the provisions of sub-rule (4) or rule 1.24 applicable to a failure to assign and deliver a policy shall apply; and

- (ii) if the amount assured together with the amount of any accrued bonuses is less than the whole of the amount withheld or withdrawn with interest, the Accounts Officer shall realize the amount assured together with any accrued bonuses and shall place the amount so realized to the credit of the subscriber in the Fund.
- (2) Save as provided by rule 1.30 if a policy delivered to the Accounts Officer under clause (b) of sub-rule (1) of rule 1.24 matures before the subscriber quits the service the Accounts Officer shall make over the policy to the subscriber:

Provided that if the interest in the policy of the wife or wives of the subscriber, or of his wife or wives and children or any of them, as expressed on the face of the policy, expires when the policy matures, the subscriber, if the policy moneys are paid to him by the Insurance Company, shall immediately on receipt thereof pay or repay to the Fund either:

- (i) the whole of any amount withheld or withdrawn from the Fund in respect of the policy with interest thereon at the rate provided in rule 1.13; or
- (ii) an amount equal to the amount assured together with any accrued bonuses; whichever is less, and, in default the provisions of sub-rule (4) of rule 1.24 applicable to a failure to assign and deliver a policy shall apply.

1.28. If the interest of the subscriber in the family pension fund ceases, in whole or part, from any cause whatsoever, the provident fund account of the subscriber shall forthwith be reimbursed by the amount of the refund secured by the subscriber from the family pension fund, which amount shall, in default of reimbursement, be deducted from the subscriber's emoluments by installments or otherwise, as may be directed by the authority competent to grant an advance under sub-rule (1) of rule 1.14.

1.29. If the policy lapses, or is assigned, otherwise than to the Governor of the Punjab under rule 1.24, charged or encumbered the provisions of sub-rule (4) of rule 1.24 applicable to a failure to assign and deliver a policy shall apply.

1.30. If the Accounts Officer receives notice of:

- (a) an assignment (otherwise than an assignment to the Governor of the Punjab under rule 1.24); or
- (b) a charge or encumbrance on; or
- (c) an order of Court restraining dealings with the policy or any amount realized thereon.

The Accounts Officer shall not:

- (i) reassign or make over the policy as provided in rule 1.26; or
- (ii) realize the amount assured by the policy or reassign or make over the policy as provided in rule 1.27, but shall forthwith refer the matter to Government.

1.31. Notwithstanding anything contained in these rules if the sanctioning authority is satisfied that money drawn as an advance from the fund under sub-rule (1) of rule 1.14 or withheld or withdrawn from the Fund under sub-rule (a) or (b) of rule 1.20 has been utilized for a purpose other than that for which sanction was given to the drawl, withholding or withdrawal of the money, the amount in question shall with interest at the rate provided in rule 1.13, forthwith be repaid or paid as the case may be, by the subscriber to the Fund, or in default be ordered to be recovered by deduction in one sum from the emoluments of the subscriber, even if he be on leave. If the total amount to be repaid, or paid as the case may be, be more than half the subscriber's emoluments recoveries shall be made in monthly installments of moieties of his emoluments till the entire amount recoverable be repaid or paid as the case may be, by him.

Note -- The term 'emoluments' as used in this rule does not include subsistence grant.

#### **10. Final withdrawal of accumulations in the fund.**

1.32. When a subscriber quits the service, the amount standing to his credit in the Fund shall become payable to him:

Provided that a subscriber, who has been dismissed \*removed or compulsorily retired) from the service and is subsequently reinstated in the service, shall if required to do so by Government, repay any amount paid to him from the Fund in pursuance of this rule, with interest thereon at the rate provided in rule 1.13 in the manner provided in the proviso to rule 1.33. The amount so repaid shall be credited to his account in the Fund:

Provided further that a subscriber shall on application made by him be permitted to withdraw finally the amount standing to his credit in the Fund twelve months before his retirement.

1.33. When a subscriber --

- (a) has proceeded on leave preparatory to retirement, or, if he is employed in a vacation department, on leave preparatory to retirement combined with vacation; or
- (b) while on leave, has been permitted to retire or been declared by a competent medical authority to be unfit for further service; or
- (c) desires payment within six months before his retirement;

the amount standing to his credit in the Fund shall, upon application made by him in that behalf to the Accounts Officer, become payable to the subscriber:

Provided that the subscriber, if he returns to duty, shall if required to do so by Government, repay to the Fund, for credit to his account the whole or part of any amount paid to him from the Fund in pursuance of this rule with interest thereon at the rate provided in rule 1.13 in cash or securities, or partly in cash and partly in securities by installments or otherwise, by recovery from his emoluments or otherwise, as may be directed by the authority competent to grant an advance under sub-rule (1) of rule 1.14.

---

\*Added vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

1.34. On the death of a subscriber before the amount standing to his credit has become payable (see Appendix-V) or where the amount has become payable, before payment has been made:

(i) When the subscriber leaves a family:

- (a) If a nomination made by the subscriber in accordance with the provisions of rule 1.7 in favour of a member or members of his family subsists, the amount standing to this credit in the Fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportion specified in the nomination;
- (b) If no such nomination in favour of a member or members of the family of the subscriber subsists, or if such nomination relates only to a part of the amount standing to his credit in the Fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family, become payable to the members of his family in equal shares.

Note: A posthumous child of the deceased or the posthumous child of a son of the deceased who, had he been alive would have been entitled to a share of the sum at the subscriber's credit shall be treated as a member of the family provided the existence (*en ventre desamere*) of the posthumous child is brought to the notice of the disbursing officer.

Provided that no share shall be payable to:

- (1) sons who have attained legal majority;
- (2) sons of a deceased son, who have attained legal majority;
- (3) married daughters whose husbands are alive;
- (4) married daughters of a deceased son whose husbands are alive;

If there is any member of the family other than those specified in clauses (1), (2), (3) and (4):

Provided further that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber and had been exempted from the provisions of clause (1) of the first proviso;

- (ii) When the subscriber leaves no family if a nomination made by him in accordance with the provisions of rule 1.7 in favour of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.

1.35. (1) When the amount standing to the credit of a subscriber in the fund becomes payable it shall be the duty of the Accounts Officer to make payment, as provided in section 4 of the Provident Funds Act 1925 (see Appendix-1).

- (2) If the person to whom, under these rules any amount or policy is to be paid, assigned, or re-assigned, delivered is a lunatic, for whose estate a manager has been appointed in this behalf under the Lunacy Act, 1912, the payment or reassignment or delivery will be made to such manager and not to the lunatic.
- (3) (a) If the person to whom, under these rules, any amount is to be paid is a minor of whose property a guardian has been regularly appointed, the payment of such amount shall be made to such guardian. If no such guardian has been appointed, the Accounts Officer empowered under sub-rule (1) to make the payment, may pay such amount to the mother of the minor.

Where the mother of the minor:

- (i) is not alive;
- (ii) was, in the life-time of the subscriber, judicially separated from him;
- (iii) has remarried; or
- (iv) is or has become disqualified or other- wise unsuitable;

the Accounts Officer may pay such amount to any suitable person nominated by the Head of Office of deceased subscriber in consultation with the Deputy Commissioner.

- (b) Where the subscriber was a female, the Accounts Officer, in applying the above provisions, mutatis mutandis, may make payment to the father of the minor or to such other person as may be appointed a guardian.
  - (c) where the guardian is any person other than the mother, father, paternal grandfather, uncle, brother or sister of the minor, the guardian shall be required to execute an indemnity bond, with two sureties, indemnifying Government against any claim which may subsequently be made.
- (4) Any person who desires to claim payment under this rule shall send a written application in that behalf to the Accounts Officer. Payment of amounts withdrawn shall be made in Pakistan only. The persons to whom the amounts are payable shall make their own arrangements to receive payment in Pakistan.

**Explanation** --When the amount, standing to the credit of a subscriber, has become payable under rule 1.32, 1.33 and 1.34 the Accounts Officer shall authorize prompt payment of that portion of the amount standing to the credit of a subscriber in regard to which there is no dispute or doubt, the balance being adjusted as soon after as may be.

- 1.36. (a) If a Government servant, who is a subscriber to any other Government Provident Fund, which is a non-contributory Provident fund, is permanently transferred to pensionable service under the Punjab Government, the amount of the subscriptions, together with interest thereon, standing to his credit in such other fund at the date of transfer shall with the consent of the other Government concerned, if any, be transferred to his credit in the Fund.
- (b) If a Government servant, who is a subscriber to the State Railway Provident Fund or the Contributory Provident Fund (Pakistan) or a Provincial Contributory Provident Fund, is permanently transferred to pensionable service under the Punjab Government and elects or is required to earn pension in respect of such pensionable service:
- i) the amount of subscriptions, with interest thereon standing to his credit in such Contributory Provident Fund at the date of transfer shall, with the consent of the other Government, if any, be transferred to his credit in the Fund;
  - ii) the amount of Government contributions with interest thereon standing to his credit in such Contributory Provident Fund shall, with the consent of the other Government, if any, be repaid to Government and credited to provincial revenues; and
  - iii) he shall in exchange be entitled to count towards pension such part of the period during which he subscribed to such Contributory Provident Fund as the competent authority may determine.

1.37. If a subscriber to the Fund is subsequently admitted to the benefits of the Punjab Contributory Fund Rules the amount of his subscription, together with interest thereon shall be transferred to the credit of his account in the Punjab Contributory Provident Fund.

## 11. Procedure Rules

1.38. All sums paid into the Fund under these rules shall be credited in the books of Government to an account named "The General Provident Fund". Sums of which payment has



not been taken within six months after they become payable under these rules shall be transferred to "Deposits" at the end of the year and treated under the ordinary rules relating to deposits.

1.39. When paying a subscription in Pakistan either by deduction from emoluments or in cash; a subscriber shall quote the number of his account in the Fund, which shall be communicated to him by the Accounts Officer. Any change in the number shall similarly be communicated to the subscriber by the Accounts Officer.

1.40. (1) Before the expiry of the third month of every financial year, the Accounts Officer shall send to each subscriber a statement of his account in the fund showing the opening balance as on the <sup>\*</sup>(1<sup>st</sup> July of the preceding year), the total amount credited or debited during the year, the total amount of interest credited as on the 30<sup>th</sup> June of the year and the closing balance on that date. The Accounts Officer shall attach to the statement of account an enquiry whether the subscriber;

(a) desires to make any alternation in any nomination made under rule 1.7;

(b) has acquired a family in cases where the subscriber has made no nomination in favour of a member of his family under the proviso to sub-rule (1) of rule 1.7.

(2) Subscribers should satisfy themselves as to the correctness of the annual statement, and errors, if any, should be brought to the notice of the Accounts Officer within six months from the date of receipt of the statement.

(3) Where any subscription made by a subscriber to his provident fund has not been shown or credited in the account by the Accounts Officer, such subscription shall be credited to the account of the subscriber on the basis of:

(i) certificate of fund deduction by the Audit Officer/Treasury Officer/District Accounts Officer in the case of <sup>\*</sup>(Government servants in Basic Pay Scales 16 & above);

(ii) certificate of fund deduction by the Drawing & Disbursing Officer in the case of <sup>\*</sup>(Government servants in Basic Pay Scales 1 to 15).

(4) The Accounts Officer shall, if required by a subscriber, inform the subscriber once, but not more than once, in a year of the total amount standing to his credit in the Fund at the end of the last month for which his account has been written up.

---

\*Substituted for the words "1<sup>st</sup> July of the year" vide notification No. FD/SRI-2-3/83 dated 02.04.1989.

\*\*Substituted for the words "Officers (National Pay Scales No. 16 and above)", vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.

\*Substituted for the word "Officials" vide notification No. FD/SRI-2-3/83 (Prov) dated 02.04.1989.