

REGISTERED No. M - 302  
L.-7646

①

# The Gazette of Pakistan

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

---

ISLAMABAD, SATURDAY, AUGUST 8, 2015

---

PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN  
MINISTRY OF NATIONAL HERITAGE & INTEGRATION

NOTIFICATION

*Islamabad, the 7th August, 2015*

S. R. O. 778 (I)/2015.—In exercise of the powers conferred under Section 10 of the Pakistan National Council of Arts Act, 1973 (LIX OF 1973 & Clause 30 of PNCA Service Rules 1994, the Federal Government is pleased to make the following rules, namely:—

**1. Short Title and Commencement:-**

1.1. These rules may be called The Pakistan National Council of the Arts Employees Contributory Provident Fund Rules, 2015.

1.2. They shall come into force with immediate effect.

**2. DEFINITIONS**

- i. 'Council' means Pakistan National Council of the Arts established under PNCA Act, 1973;

(2881)

Price : Rs. 10.50

[1246 (2015)/Ex. Gaz.]

- ii. 'Rules' means these rules as in force for the time being;
- iii. 'Board' means Board of Governors of the Council;
- iv. 'Sanctioning Authority' means the Director General of the Council appointed in terms of Clause 5 of PNCA Act, 1973.
- v. 'Employees' means the employees of the Council whose services have been regularized in terms of Clause 5 (ii) of PNCA Service Rules, 1994;
- vi. 'Member' means an employee of the Council who by these Rules is admitted to membership of the C.P. Fund;
- vii. 'Month' means calendar month;
- viii. 'Family' for the purpose of entitlement of C.P Fund under the C.P Fund Rules includes the following relatives of an employee;

(a) in the case of a male member, the wife or wives and children of the member, and the widow or widows and children of a deceased son of the member, in their absence any next of the kin of subscriber:

Provided that if a subscriber proves that his wife has been judicially separated from him and has ceased under customary law of the community to which he belongs to be entitled to maintenance, she shall henceforth be deemed to be no longer member of the subscriber's family in matters to which these rules relate, unless the subscriber subsequently indicated by express notification in writing to the Director General that she shall continue to be so regarded;

(b) In the case of female member, the husband and children of the member, in their absence any next of the kin of subscriber:

Provided that if a subscriber by notification in writing to the Director General expresses her desire to exclude her husband from 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 in writing her notification excluding him:

Provided further that in either case if the child of the subscriber has been adopted by another person and if, under the personal law of the adopter, adoption is legally recognized as conferring the status of natural child, such a

child shall be considered as excluded from the family of the subscriber.

- ix. **'No-Objection Certificate'** means a certificate by the divisions/sections of the Council that all dues against the retiring employee up to date of retirement have been realized and that nothing is outstanding against the retiring employee upto the date of retirement;
- x. **'Salary'** means basic pay received by a member from the Council, excluding any allowances, honoraria, cash awards, overtime;
- xi. **'Contribution'** means any sums credited by or on behalf of any member out of his salary, or by the Council out of its own resources, to the individual account of a member in the Fund;
- xii. **'Financial Year'** means the period beginning on the first day of July and ending on the last day of June; and
- xiii. **'Accumulated Balance Due'** means the balance due to the Credit of a Member or such portion thereof as may be claimable by him under these Rules on the day he ceases to be an employee of the Council;
- xiv. **'Investment Committee'** means the Investment Committee constituted under Rule 8 of these Rules for the investment, sale proceeds of the Fund's assets;

### 3. OBJECTIVE

The objective of the C.P. Fund is to accumulate certain sums for benefit of the employees of the Council and their families in the event of employees leaving service of the Council, due to but not limited to, termination of service, resignation, retirement, or death.

### 4. APPLICATION

- 4.1 These rules shall apply to all employees hence on regular establishment of the Council as per Clause 5(ii) of PNCA Employees Service Rules, 1994.
- 4.2 These rules shall not apply to:—
  - (i) Employees on probation.
  - (ii) Employees appointed on contract only if so provided in their contracts.
  - (iii) Employees appointed on casual basis and on such other establishments as are paid from contingency

- (iv) Government servants in permanent service of Government or holding substantive appointment in government.
- (v) Retired Government servants who have been re-entered in the Council.

**5. THE FUND**

- 5.1 The fund shall be called PNCA Employees C.P Fund and shall consist of contributions collected under Rules 10.1, 10.2 & 10.7 of these Rules, donations if any, received by the Council, of accumulations thereof, and of interest, credited in respect of such contributions, donations and accumulations, and of any capital gains arising from sale, exchange or transfer of capital assets of the Fund and of no other sums.

**6. MANAGEMENT OF THE FUND**

- 6.1 The fund shall be maintained in Pak Rupees.
- 6.2 The funds shall be administered and managed by the Council and the place of its management shall be at the Head Office of the Council.
- 6.3 The Fund shall be maintained with any one of the scheduled Banks or National Saving Schemes notified by the Government of Pakistan from time to time and the account shall be jointly operated by any two of the signatories nominated by the Director General, PNCA.

**7. EXPENSES OF MANAGEMENT**

All the expenses including auditor's fee, costs of accounts books, stationery and all other costs, charges and expenses related to Fund for any reason whatsoever shall be borne by and be charged on the Fund and shall be paid thereto as the Competent Authority may determine. No member nor any representative of a Member shall have any claim upon the Fund in this respect thereof.

**8. CONSTITUTION & FUNCTIONS OF INVESTMENT COMMITTEE**

- 8.1 There shall be an Investment Committee consisting of the following members:—
- (a) Secretary of the Administrative Ministry
  - (b) Director General, PNCA
  - (c) Joint Secretary of the Administrative Ministry
  - (d) Deputy Secretary of the Administrative Ministry
  - (e) Director Admin & Accounts, PNCA



(f) A representative of the members of the Council nominated by the Director General, PNCA on behalf of the members of the Fund

8.2 The main function of the Investment Committee shall be to make decisions for investment of the fund in accordance with the instructions of Finance Division issued from time to time and shall attend to such other functions as may be assigned to it by the Board of Governors of the Council.

#### 9. MEMBERSHIP

9.1 All employees whose services have been regularized in terms of Clause 5(ii) of PNCA Service Rules, 1994 are eligible to become member of the Fund after completion of their probationary period by signing a written declaration as per Form A appended herewith.

9.2 An employee once having joined the fund shall not be permitted to resign his membership of the Fund whilst he is in the service of the Council.

9.3 Membership of the Fund shall immediately be terminated on the member ceasing to be an employee.

9.4 The Contributions of a Member, absent on leave shall, during the period of such absence, be calculated on the basis of the salary paid to him during such absence and shall be deducted from his salary paid for his absence period.

9.5 The Contribution of member who has availed extraordinary leave without pay shall not be received from such a member.

9.6 The same amount of contribution shall be deposited by the Council with the Fund for an employee who deposits his contribution in terms of Clause 9.4.

#### 10. CONDITIONS AND RATE OF SUBSCRIPTIONS

10.1 A member shall subscribe to the Fund from the month for which he draws full month's salary at the rate of 8.333% of his salary with immediate effect.

10.2 Contributions received from members and deposited by the Council into the Fund at the rate of 10% upto the last day before enforcement of these rules shall be taken as opening balances with immediate effect.

10.3 The rate of subscription towards CPF shall be as prescribed by the Finance Division from time to time.

6

10.4 The members shall authorize the Council to make such deductions by means of a signed letter as per Form B appended herewith.

10.5 In case of resignation, retirement, dismissal from the service of the Council, no deduction will be made for the broken month:

Provided that if a subscriber quits service otherwise than on resignation or dismissal or dies during the year, contribution shall be credited to his account in respect of subscription for the period between the close of the proceeding year and the date of casualty. The current rate of subscription as announced by Federal Government from time to time, according to Finance Division's O.M No. F. 1(5) R-7/87-318 20<sup>th</sup> July, 2011.

10.6 The Council shall, at each month, contribute a sum equivalent to the Contribution made by each member and deposit into Fund.

10.7 Contributions deducted from the Members and by the Council shall be credited in the Member's Individual account at the usual time of payment of salary.

#### 11. BANK ACCOUNTS AND INVESTMENTS

11.1 All the investments of the Fund and bank accounts shall be in the name of the Fund.

11.2 The amounts credited to the Fund not immediately required for the purpose of the Fund shall be invested in the name of the Fund, as the Investment Committee may decide in accordance with the instructions issued by Finance Division from time to time. The investment Committee shall have power to dispose of the investments and to reinvest sale proceeds in such other manner as the Investment Committee may think fit.

#### 12. INTEREST

12.1 The interest payable to the Members shall be determined in the following manner:-

12.2 As soon as possible after the close of each financial year, the Council shall prepare an Income & Expenditure Statement of the Fund and shall announce the rate of interest computed in the following manner:-

Interest rate =  $\frac{\text{(Gross profit received for the year + contributions \& donations) - (Expenses for the year + withdrawals)}}{\text{Total Investments}}$

Total Investments

And interest in proportion to interest rate announced for the year shall be placed to the credit of the Members individual accounts on last day of the year computed on the basis of the formula prescribed by the office of AGPR.

7

The Council shall pay such interest on all sums deposited in the fund at the same rate as determined by Federal Government from time to time and the amount of such income shall be yearly placed to the credit of each depositor/subscriber on the 30<sup>th</sup> June each year. The income shall be expressed in the whole rupee, fifty paise counting as the next rupee.

- 12.3 In the event of an employee leaves the service of the Council and thus ceases to be a member during the currency of the financial year, the interest payable to him shall be calculated on monthly basis at the rate of the interest determined for the previous year in accordance with rule 14(i) from the first day of the financial year upto the date he ceases to be a member.
- 12.4 If a member claims his C.P Fund payment within three years, interest will be computed on his accumulated balance due on the date of his retirement upto the date of his claim.
- 12.5 If a member does not claim for his C.P Fund within three years of the date he ceases to be a member of the fund, his C.P Fund will be transferred to Suspense Accounts and he will be paid accumulated balance due upto the date he ceases to be a member of the fund.
- 12.6 When pay is drawn in Pakistan, recovery of subscription on account of pay, and of the amount of advance and charges thereon, shall be made from the pay itself.
- 12.7 When pay is drawn from any other source, the subscriber shall forward his dues monthly to the Council's C.P Fund Account.
- 12.8 For the purpose of this rule the date of deposit shall in the case of recoveries from pay be deemed to be the first day of the month in which they are recovered; and in the case of the amount forwarded by the subscriber, shall be deemed to be the first day of the month of the receipt, if they are received by the Director General on or before the seventh day of the month, or, if they are received after the seventh day of that month, the first day of the succeeding month.

**13. LOSS**

Any loss to the fund including any loss or diminution in value of the investment of the Fund from any cause whatsoever or any other costs related to the Fund or any claim thereon shall for any reason whatsoever shall be borne by and be charged on the Fund.

**14. ACCOUNTS**

- 14.1 The accounts of the fund shall be maintained by the Council in such form and for such period and shall contain such particulars as the Federal Government may prescribe from time to time.

- 14.2 The accounts of the Fund shall be made up yearly as at the end of each financial year and audited each year by a Chartered Accountant appointed by the Council with the approval of the PAO and as well as by the Federal Government during Audit of PNCA.
- 14.3 A separate account shall be maintained in respect of each member showing the member's contributions, Council's contributions, profit on member's contributions and profit on Council's contributions.
- 14.4 A statement of account of each member prepared at the end of each financial year shall be provided to each member however total accumulated balance at the time of the retirement of a member shall be subject to review and amendments if found necessary at any stage.

## 15. ADVANCES

- 15.1 Advances to the members from the accounts standing to their credit of their contributions shall not be allowed by the Council except on special grounds in the following circumstances:
- (a) To pay expenses incurred in connection with the illness of a member or his family member.
  - (b) To pay for the international travel in connection with the health or education of a member or his family member.
  - (c) To pay expenses in connection with marriages, funerals or ceremonies which by the religion of a Member, it is incumbent upon him to perform and in connection with which it is obligatory that expenditure should be incurred.
  - (d) To meet expenditure on building or purchasing a house or land for house provided that such house or land is mortgaged to the Council.
- 15.2 The maximum amount of advances shall be Six month's salary of a member in case of advances for purposes specified in rule 15.1 (a), (b) & (c) or half of the amount at the credit of the member whichever is less & twenty four months salary or 80% of the amount at his credit whichever is less for the purpose specified in Rule 15.1 (d).
- 15.3 Second advance shall be sanctioned by the competent authority subject to following conditions.
- (a) The authority sanctioning the second advance shall record reasons for sanctioning the second advance.



- (b) The outstanding balance of the first advance with interest, if any, shall be recovered from the amount of the second advance being sanctioned so that only one advance remains outstanding at one time.

15.4 If a member applies for advance for special reasons and the period of twelve months has been elapsed after repayment of previous advance alongwith interest, he may be sanctioned advance upto 50% of the amount at his credit.

#### 15.5 Recovery of advances

The refund of advance and payment of interest thereon shall be made in the following manners:—

- (a) The principal amount withdrawn shall be payable is not more than 40 equal monthly installments.
- (b) The interest at the rate announced by the Council for the year during which advance was paid shall be paid in two to five equal monthly installments immediately after the last installment of the principal amount of the advance is repaid.
- (c) Provided that if a member contributing to the fund, opts not to receive interest accruing on his accumulated balance, no interest shall be charged on the advance taken by him from the fund.

#### 15.6 Non-refundable advances

15.6.1 Save as provided as follows a member can apply for non refundable advance in following cases.

- i. If he has attained the age of 45, 50 or 55 years.
- ii. If he has to renovate or completely reconstruct his house.
- iii. If he has to make repayments of the loan taken from any financial institution.

15.6.2 Payments against non refundable advances shall be treated as a part of final payments of C.P Fund to the members.

15.6.3 Only three non refundable advances, one each after attaining age of 45, 50 & 55 years, shall be admissible to a member.

#### 16. NOMINATIONS

16.1 Each member shall on joining the fund submit a nomination as per Form C & D conferring the right to receive the accumulated balance due in the event of member's death during his service in the Council.

- 16.2 A member who has family at the time of joining the fund shall submit nomination as per Form C.
- 16.3 A person who has no family shall submit nomination as per Form D;  
Provided that a nomination made under this rule shall be deemed to have been duly made in accordance with these rules only for so long as the member has no family.
- 16.4 If a member at any time attains a family, he shall submit the nomination as per Form C, he shall formally cancel the previous nomination.
- 16.5 The member may nominate more than one person under these rules, however he shall specify the share payable to each of the nominees in such manner as to cover whole of the accumulated balance due.
- 16.6 The members can change their nominations from time to time, cancellation of the previous nomination shall be initiated in writing.
- 16.7 In the absence of a nominee, on the death of a member, the payment of the accumulated balance at the credit of the deceased member due shall be made to his heirs, executors or administrators, as determined by the Council and such payment shall be deemed to be a good charge against all claims on the fund.
- 16.8 Every nomination or change in nomination by a member shall, to the extent that it is valid, take effect on the date of which it is received by the Council.

**17. PAYMENT**

- 17.1 The accumulated balance due to a member shall be payable to him on the day he ceases to be an employee of Council. Payment will be made upon claim by the person entitled to receive payment and shall include interest.
- 17.2 The amount of his C.P Fund shall be released on receipt of NOC & claim for his payment and any amount payable by the member to the Council shall be deducted from the accumulated balance due at the time of final payment to him.
- 17.3 If payment be not claimed within three years from the date such payment is due, the accumulated balance due to the member shall be credited to Suspension Account of the Fund.
- 17.4 If a member claims for his fund after lapse of three years, he shall be paid only the accumulated balance due on his credit transferred to

(11)

Suspension Account alongwith the profit upto the date he ceases to be a member of the Council.

- 17.5 The amount payable at the time of final payment will be ascertained and determined by a certificate signed by two of the signatories and payment of such amount so certified to the member or other person entitled under these Rules shall operate as a full and sufficient discharge of all liabilities of the Fund and of the Council in respect thereof.

#### 18. SUSPENSION ACCOUNT

All balances due to the ex-member alongwith interest earned at any time remaining unclaimed after three years shall be transferred to a separate account to be called, "the Suspension Account" in the books of the Fund and shall be paid to the ex-members or their legal representatives without profit, the balance lying in this account shall be applied by the Council for Meeting the losses to the Fund from any cause whatsoever, not being on account of default of the Council.

#### 19. WINDING UP OF FUND

- 19.1 The Council may at any time with the consent of its members and shall, if so as directed by the Council, on giving at least six months notice in writing to each member personally or by sending the same by registered post to his last known address, or by posting such written notice in a prominent place in the office of the Council wind up the Fund and distribute its net assets as determined according to these rules to the Members and thereafter the Fund shall cease to have any effect other than for the purposes of determining any right or title or exercising any power or discretions in relation to the winding up of the fund shall be admitted as a member of the Fund after the issue of notice as aforesaid. In the event of the Council going into liquidation whether voluntary or compulsory (save for the purpose of reconstruction or amalgamation) the Fund shall automatically cease and the Council shall thereupon wind up the Fund and distribute its assets as provided in these rules.
- 19.2 The balance available for distribution to the members on winding up the Fund which will consist of the sale proceeds of all of the investments of the Fund and the proceeds of realization of its assets together with the cash balances then available after making provisions for the payments of all expenses in connection with the closing of the Fund and other liabilities, shall be distributed among the members in proportion to the accumulated balances due to them respectively.
- 19.3 Prior to the final distribution of its assets the Fund's accounts shall be audited and the value of distributable assets shall be certified by the Fund's auditor.

**20. MISCELLANEOUS**

- 20.1 In the absence of rules for or for clarification, GPF Rules of the Federal Government shall be applicable.
- 20.2 No amendment or addition in the rules shall be made but with the approval of Finance Division.

**21. NOTICES**

Before winding up the Fund, a notice to the members may be given by exhibiting the same at prominent place in the head office and regional offices where the members are posted.

**22. AUDIT**

Audit of the proposed fund shall be made by the concerned Audit Department.

**23. ARBITRATION**

In case of any dispute between the member or his legal representative and the Council, the decision of the Director General, PNCA shall be the final.

[No. F. 7-16/2013-PNCA.]

NAZIR AHMAD,  
*Deputy Secretary.*

13

FORM "A"

The Director General  
PNCA  
Islamabad.

Dear Sir,

As I have been a permanent and whole time employee of Pakistan National Council of the Arts for the last six months and as I am continuing in employment, I hereby apply to become a member of PNCA Employees C.P Fund.

I hereby declare that I have read rules and regulations of the Fund and I agree to abide by them and by any subsequent additions to and alternations in the same as may from time to time hereafter be made. I also agree to accept as binding the decision of the Investment Committee on any question which may arise in connection with my membership.

I hereby permit you, if my application for membership is accepted to authorize the Council to deduct 10% of my salary every month as my contribution to the Fund with effect from .....

I attached herewith nomination form  
Name in full.....  
NIC No. ....  
Name of appointment and pay .....  
Name of establishment .....  
Date of joining service.....

Yours faithfully,

Signature

Dated:-

TH

FORM "B"

The Accounts Officer  
PNCA  
Islamabad.

Dear Sir,

Consequent to my admission on ..... to the membership of PNCA Employees C.P Fund and as required by rule of the Rules of the Fund, I hereby authorize you to deduct each month from the date of my becoming the member of the Fund a sum equivalent to the amount contributable by me in accordance with the terms of the fund at the usual time of payment of my salary to me as my contribution to the Fund. Please deposit the amounts deducted into the Fund for credit to my account.

The deductions should commence from the salary payable to me from the month of

Yours Obediently

Name .....

Signature .....

Designation.....

Employee No.....

Department

Date.....

15

Form 'C'

When an employ has family and wishes to nominate one member thereof.

I hereby nominate the person mentioned below, who is a member of my family and confer on him the right to receive my accumulated balance due against my C.P. Fund that may be sanctioned by the Council in the event of my death while in service and the right to receive on my death any gratuity which having become admissible to me on retirement may remain unpaid at my death :—

Name and address of the Nominee	Relationship With nominee	Age	Contingencies on the happening of which the nomination shall become invalid	Name and relationship of person if any to whom the right conferred on the nominee shall pass in the event of the nominee pre-deceasing the Government servant

Dated this..... day of.....20  
at.....

Witnesses to signature.

1.....

2.....

Signature of the employee.

(To be filled in by the Head of Department.)

Nomination by ..... Signature of Head of Department.

Designation..... Designation.....

Date.....

16

Form 'D'

When an employee has family and wishes to nominate more than one member thereof:—

I hereby nominate the persons mentioned below, who are members of my family, and confer on them the right to receive to the extent specified below, my accumulated balance due against my C.P. Fund that may be sanctioned by the Council in the event of my death while in service and the right to receive on my death, to the extent specified below, any gratuity which having become admissible to me on retirement may remain unpaid at my death :—

Name and address (es) of the Nominees	Relationship With the employee	Age	Amount of share of gratuity payable to each	Contingencies on the happening of which the nomination shall become invalid	Name and relationship of person if any to whom the right conferred on the nominee shall pass in the event of the nominee pre-deceasing the Government servant

N.B.— The employee should draw lines across the blank space below the last entry to prevent the insertion of any name after he has signed.

Dated this.....day of.....20  
at.....

Witnesses to signature

1 .....

2 .....

Signature of the employee.

(To be filled in by the Head of Department.)

Nomination by ..... Signature of Head of Department.

Designation..... Designation.....

Date.....