



Policy: Provident fund policy
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VERSION HISTORY

Date	Version	Author	Reviewed by	Changes
July 31, 2022	1.0	NJ	BA/NQ/MNS/NT	First release subject to legal opinion
November 21, 2023	2.0	NJ	BA/NQ/MNS/NT	

OVERVIEW

Provident Fund is a benefit created by the employer for its employees. Both the employee and the employer contribute to this fund.

The fund is managed according to rules set by the Government of Pakistan and other regulatory and tax authorities.

The amounts collected in the fund are invested and the profits are accumulated for employees' benefit. As per law, and since the company (or Trust) that manages the fund has fiduciary responsibility to all members of the fund, investment will only be made in low-risk options.

These rules will be modified from time to time as per need.

ELIGIBILITY

All permanent employees at Unikrew Solutions are eligible. Wherever the word "employee" or "member" is used in the remainder of this document, it shall be read as "permanent employee".

CONTRIBUTION

Employee's contribution: An amount equivalent to 8.33% of basic salary will be deducted from the employee's monthly salary.

Employer's contribution: A corresponding amount equal to Employee contribution will be added into the fund by the company for each employee.

OPT IN/OUT

There are two types of provident fund that the Company will manage:

- Islamic
- Conventional

The employee will have the choice to opt in or opt out of any of the above funds. In case the employee opts out and does not avail this benefit, employer contribution will not apply.

The employee will fill a provident fund membership form to opt in or opt out and to nominate next of kin in case of death.

PROFIT ON CONTRIBUTIONS

The Fund will accumulate profits and each employee will be informed of their own share of profit accrued from time to time.

Employees can request to forego the profit accrued.

VESTING PERIOD

The vesting period for employer contribution matching each member's contribution is one year. This means that if an employee leaves before completing one year of active service, he/she will not be entitled to withdrawal of employer's contribution, or any profits accrued in the fund.

EFFECTIVE DATE

The fund is effective from August 1, 2022.

ENCASHMENT

When an employee's employment ends, the funded amount along with profit is paid in the form of final settlement as per rules at that time. The employer may deduct any dues, such as pending loans, amount in lieu of notice period, taxes if applicable, other adjustments, from the employee in this final settlement.

LOAN AGAINST PROVIDENT FUND

An employee, after vesting period is complete, can take a loan against his/her provident fund balance subject to rules.

Permitted withdrawals as loan

Temporary withdrawals

Purpose	Limit of withdrawal
a) Purchase or down payment of house, apartment, plot, or construction on plot for self	Thirty-six months' salary of the member or 80% of the total of accumulated balance to her/his credit, whichever is less.
b) Purchase or down payment for motorcycle or car for self	Six months' salary of the member or 70% of the total of accumulated balance to her/his credit, whichever is less
c) Marriage for self or family member	Six months' salary of the member or 70% of the total of accumulated balance to her/his credit, whichever is less
d) Pilgrimage for self or family member	One month's salary of the member or PKR 200,000, whichever is less
e) Any expenses for serious illnesses of self or family member	Six months' salary of the member or 70% of the total of accumulated balance to her/his credit, whichever is less

f) Any expenses for educational purpose for self	Six months' salary of the member or 70% of the total of accumulated balance to her/his credit, whichever is less
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Permanent withdrawals

Purpose	Limit of withdrawal
1. Upon 20 years services with Unikrew	Thirty-six months' salary of the member or 80% of the total of accumulated balance to her/his credit, whichever is less

Notes

- For each loan, an application will need to be submitted along with relevant documents. These documents will include, and not limited to, any documents substantiating the purpose for which the loan is being taken.
- Profit shall not be paid on the amount drawn as loan. Any installments paid back will become eligible for profit.
- Accumulated balance means the contributions and profit accumulated to the employee's name.
- "Family" means the employee's spouse, children, and parents who reside with the employee and are dependent on her/him.
- Salary means the basic salary.
- No second withdrawals are permitted before the previous loan has been paid except in the case where previous withdrawal had been made as per clause (e).
- All loans will be repaid in equal installments spread over a maximum of 12 months except in the case of clause (a) in which the maximum tenor is 36 months.
- An agreement will be signed between the members and manager / trustees of the fund at the time of taking loans.
- The policy regarding authorized withdrawals as a loan is applicable to:
 - Past, current, and future transactions.
 - For current and future transactions, only transactions initiated within 30 days of applying for the loan will be considered.
 - For past transactions, only loans or leases with remaining payments issued by authorized institutions such as banks, credit unions, education institutions, and hospitals are applicable for past transactions.

Documents to be submitted

1. Property or Vehicle documents registered under the employee's or the submitted admission form, as applicable.
2. For construction on a plot, original receipts must be submitted within 30 days of loan disbursement, while evidence of payment for other withdrawals should also be provided within the same timeframe. Failure to submit original receipts within the stipulated time will result in the deduction of the entire loan amount from the following months' salaries.
3. In the case of a pilgrimage for oneself or a "Family" member, a copy of the tickets must be submitted within 30 days of the loan disbursement. Failure to provide the required documents within the specified time frame will result in the deduction of the entire loan amount from the salaries of the following months.
4. Submission of hospital bills for serious illnesses affecting either oneself or a "Family" member. The bills must be submitted within 30 days after the discharge from the hospital.
5. Any additional documents considered suitable by the HR department for their intended purpose.