

Employees Contributory Provident Fund/ Pension Scheme

CECOS Employees Contributory Provident Fund/Pension Scheme (CECPF)

1. Introduction:

In line with the government policy and practices followed at well-established reputed institutions, Management of CECOS has also arranged a provident fund scheme for its employees, to secure their service terminal benefits. This scheme shall be known as CECOS Employees Contributory Provident Fund (CECPF). Both employees and employer shall equally contribute to the fund. When an employee leaves CECOS, the aggregate amount shall be paid to him/her along with the profit in the form of final settlement, subject to certain conditions.

2. Aim:

Aim of this scheme is to secure post retirement life of the CECOS University employees by ensuring substantial terminal service monetary benefits.

3. CECPF Committee:

This committee will look after all affairs related to CECPF. It comprises of:

- | | |
|----------------------|-------------------------------|
| a. Director, Welfare | Convenor |
| b. Registrar | Member |
| c. Manager, HR | Member |
| d. Director, Finance | Member |
| e. Manager, Finance | Secretary/ Focal Person CECPF |

4. Eligibility:

All full time employees of CECOS are eligible.

5. Benefits:

Salient benefits of CECPF are:

- a. Investment product is Shariah compliant.
- b. Up to 20% tax credit is available to all taxpayer members of this fund.
- c. ***Free of Cost insurance:*** CECPF is coupled with an inbuilt insurance scheme, which provides following coverage:
 - i. Accidental medical coverage of 20% of the investment amount up to Rs.1.0 Million.
 - ii. Accidental Permanent Total Disability Coverage of up to Rs. 7.0 Million or twice the investment amount, whichever is less.
 - iii. If a member suffers from any of the following disabilities, which render him unable to continue employment he may, if he so elects, be treated as having reached the

retirement age at the date of such disability and all relevant provisions shall apply accordingly:

- 1) Loss of two or more limbs or loss of a hand and a foot.
- 2) Loss of eyesight.
- 3) Deafness in both ears.
- 4) Severe facial disfigurement.
- 5) Loss of speech.
- 6) Paraplegia or hemiplegic.
- 7) Lunacy.
- 8) Advance case of an incurable disease.
- 9) Wounds, injuries or any other diseases.

iv. Life insurance:

- 1) In case of **natural death**, family of the member is entitled to twice the balance in his/her fund account up to maximum of Rs. 7.0 Millions.
- 2) On **accidental death**, the family is entitled to thrice the balance in his/her fund account up to maximum of Rs. 7.0 Millions.

d. **Redemption at Retirement:**

i. Participant can choose his/her age of retirement between sixty and seventy years or after 25 years of joining VPS, whichever comes first. However, participant is required to submit thirty days prior notice to NBP Fund Management Limited to redeem at the chosen date of retirement.

ii. At retirement, a Participant can choose any one of the following:

- 1) En-cash up to fifty per cent (50%) of the amount accumulated in his/her individual pension account tax-free and remaining 50% by paying tax as per tax laws.
- 2) Utilize the entire balance amount at retirement age or balance remaining from point 1) above to choose one of the following:
 - Purchase an Approved Annuity Plan from a Life Insurance Company of his/her choice.
Or
 - Enter into an Income Payment Plan with Pension Fund Managers for monthly installments for fifteen years. After fifteen years, he can buy another Income Payment Plan or an annuity.

e. **Job Switching:** CECPF may continue even after job switching.

6. Implementation:

Following procedure shall be followed for operation of CECPF:

- a. **Membership:** National Bank of Pakistan Fund will open an account for every member, this will include:
 - i. Filling up of various forms as per requirement of NBP Fund representative.
 - ii. CNIC of self and the next of kin along with two passport size pictures will be required for opening of individual account. Salary slip and bank details of all members shall be provided by the Finance Branch.
- b. **User ID and Password:** Every member will receive a user ID and password to operate his/her account. Faculty/staff members will receive their respective ID and Password through email. Class VI employees will receive it in the form of hard copy enclosed in an envelope.
- c. **Account access:** All members will have on-line access to monitor its progress.
- d. **Statement:** Members may request for their quarterly statement.
- e. **Cheque Book/Debit Card:** This account shall not be treated as a normal bank account. Therefore, it shall neither have any cheque book nor debit card.
- f. **Subscription:** A single cheque of the amount covering subscriptions of all members shall be prepared by finance and dispatched to NBP fund on monthly basis. Both employees and employer shall contribute equally to the fund at the rate of 7.5% of basic salary of the employee as per their respective corresponding scale as defined at para 20 of CECOS Employees' Contributory Provident Fund (CECPF) Rules, 2021 (see Annex A).
- g. **Investment:** Keeping the previous experience of the NBP fund, subscription from the members shall be invested on life cycle basis as per the table appended below:

S.No	Age Group	Equity Sub Fund	Debit Sub Fund	Money Market	Total
1.	18-30 Years	75%	20%	5%	100%
2.	31-40 Years	70%	25%	5%	100%
3.	41-50 Years	60%	30%	10%	100%
4.	51-60 Years	50%	30%	10%	100%
5.	Above 61 Years	Nil	50%	50%	100%

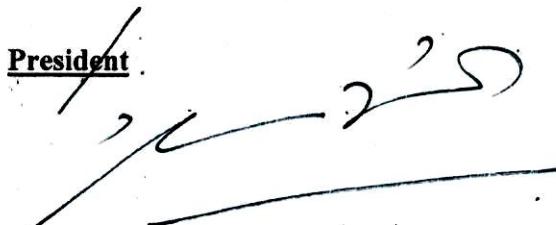
However, members may choose the investment plan of their choice.

- h. **Withdrawal:** A member will be allowed to withdraw amount in his/her account as mentioned below:

- i. On leaving CECOS due to change of service, health issues or any other valid reason but following the proper procedures for leaving CECOS University.
 - ii. In case of leaving CECOS University without proper clearance, member shall be entitled to receive only his/her own share of investment.
 - iii. Members leaving CECOS before completing 3 years of service shall be entitled to share of their contributions in the fund only.
- i. **Loan:** A member can also request for following types of loans:
- i. **Refundable Loan:** The loan amount shall be refunded in instalments.
 - ii. **Non-refundable loan:** A member above 55 years of age may get this loan as part of his/her terminal benefits.
- j. **Final Payment:** Outgoing member will receive the cheque of final payment after settlement of CECOS dues, if any.
7. This SOP shall be read in conjunction with the CECOS Employees Contributory Provident Fund (CECPF) Rules-2021, which further elaborates points covered in the SOP. A copy of the CECPF Rules-2021 is attached as Annex-A.
8. For perusal and approval of this SOP, please.


Vice Chancellor


Director Welfare

President



CECOS UNIVERSITY EMPLOYEES' CONTRIBUTORY PROVIDENT FUND RULES, 2021

1. Introduction:

CECOS Employees' Contributory Provident Fund (CECPF) is a post retirement benefit created by employer for its employees, both employees and employer shall contribute to the fund at the rate of 7.5% of basic salary of the employee as per their respective corresponding scale as defined at the end of these rules. When an employee leaves CECOS, the aggregate amount shall be paid to him/her along with the profit in the form of final settlement, subject to final clearance.

2. Title, Effective Date and Application:

- a. These rules shall be called CECOS Employees' Contributory Provident Fund (CECPF) Rules, 2021.
- b. These rules shall have effect from the 1st day of January, 2022 and shall apply to the employees of the University in the manner and to the extent as herein contained in these rules.

3. Definitions:

In these rules, the following expressions, unless excluded by or repugnant to the extent, shall have the meanings attached to them as follows:

- a. 'AMC' means Assets Management Company operating under Islamic Shariah Compliance duly recognized and registered by the Government of Pakistan;
- b. 'Basic Pay' means the basic pay as defined in rule 21 of these rules;
- c. 'Committee' means Fund Management Committee;
- d. 'Employee' means a person who is employed full time on contract or on a regular basis by the University and draws regular monthly salary but shall not include casual employee or personal servant or other whom the President may declare as such;
- e. 'Finance Department' means Finance Department of the University;
- f. 'Fund' means University Employees' Contributory Provident Fund established under these rules;
- g. 'HR Office' means HR Office of the University;
- h. 'Month' means the calendar month;
- i. 'President/Vice President' means President / Vice President of the University;
- j. 'Profit/return or funds' earnings' means profit earned through Islamic Shariah Halal investment products;



- k. 'Securities' means Islamic shariah compliant halal investment securities;
- l. 'Subscriber' means an employee admitted to the subscription of the Fund in accordance with the provisions of these rules;
- m. 'University' means CECOS University of Information Technology and Emerging Sciences, Peshawar – a body corporate established under the Act;
- n. 'Year' means the financial year beginning on the 1st day of July and ending on 30th day of June; and
- o. All other expressions shall have the same meaning as assigned to them by the Committee and/or President / Vice President.

4. Fund:

Subject to the provisions of these rules, the fund shall consist of:

- a. Subscriptions by the Subscribers;
- b. Contributions by the University;
- c. The profit/return which the investments of money, forming the fund, from time to time, may produce;
- d. Such other sums as may accrue to the fund; and
- e. Sums forfeited to the fund under these rules.

5. Administration and Management:

- a. The administration and management of the fund shall, subject to overall supervision of the President/Vice President, be vested in a Fund Management Committee for recommendations to the President/Vice President for final approval.
- b. The President/Vice President shall lay down conditions and instructions for the conduct of the business of the fund or for any other matter relating to the fund as he may consider necessary, upon recommendations of the committee.
- c. The Nomenclature of the Committee shall, from time to time, be appointed by the President/Vice President.
- d. The Fund Management Committee shall comprise the following:
 - i. Director Welfare Convener;
 - ii. Registrar Member;
 - iii. Director Finance Member
 - iv. Manager HR Member
 - v. Manager Finance Secretary/Focal Person CECPF

6. Subscription, and Termination of Subscription:

- a. An employee less than sixty eight years of age shall be eligible to become a subscriber of the fund.
- b. The decision of the University concerning an employee's length of services and continuity of service shall be final and conclusive.



Director Welfare

- c. An eligible employee shall complete and file the form for subscription and nomination, with the HR office of the University for onward submission to Secretary CEPCF for further action.
- d. A subscriber shall not be permitted to resign his/her subscription of the fund while he/she shall be in the service of the University.
- e. Any subscriber of the fund ceasing for any reason, whatever, to be in the service of the University, shall thereupon cease to be a subscriber of the fund. The subscription of the fund shall continue only during the service of the member in the University up to the age of seventy years or termination of the contract or date of discharge or removal or resignation from service whichever is earlier.
- f. Subscription and contribution for the newly inducted employee will start from the 1st day of the following month of his joining month.

7. Subscriptions and Contributions:

- a. Each subscriber shall subscribe a sum of equal to 7.5% of his respective scale's corresponding basic salary.
- b. The subscription payable by a subscriber shall be deducted by the University from his/her monthly salary during the period of his/her subscription in the fund and shall pay the same into the banking account of the fund and shall credit the same to the personal account of the subscriber therein.
- c. University shall, except for reasons beyond the University's control, calculate the fund contributions and credit it into AMC account by 15th of each month.
- d. President/Vice President shall be entitled at any time upon giving instructions in writing to the Committee and by posting such written instructions prominently to the Director Finance of the University to reduce or discontinue or to renew the making of further contributions to the funds.
- e. On expiry of such notice of discontinuance, the obligation and liabilities of the University shall hereunder in respect of the University's contributions thereupon cease.
- f. Subscriptions and contributions shall be rounded off to the nearest rupee, that is 50 paisas or above shall be deemed to be one rupee, 49 paisas or below shall be ignored.
- g. No Subscription and Contribution shall be made in favor of a Subscriber for the period of Leave without Pay (LWOP) longer than a month.

8. Accounts:

- a. The Finance Department shall keep books of account showing the disposal of the money coming to their hands and shall maintain individual accounts of each Subscriber of the fund.
- b. Each Subscriber shall receive, not later than 15th October each year, a statement showing the total of his own and the University's contributions plus the shares of the Funds' earnings prorated to such contributions respectively.



- c. Such statement shall be conclusively presumed correct if notice of error therein is not given to the Committee within fifteen days after such statement is furnished.

9. Audit of Accounts:

- a. Finance branch shall make the accounts of the fund up yearly to the 30th day of June in every year. Thereafter the accounts of the fund shall be audited by an Auditor, and their accuracy certified by him.
- b. A statement of the audited accounts shall be available to the Subscribers for inspections at the office of Finance Department.

10. Benefits of Termination of Services:

In the event that any Subscriber shall cease to be employed by the University because of defalcation, theft, embezzlement, falsification of records, or other act of dishonesty, fraud or misconduct, such Subscriber shall forfeit all his right, title, and profit to that portion of his account in the fund which has been contributed by the University.

11. Withdrawals from the Fund (Temporary or Permanent Withdrawal):

- a. Withdrawals from the fund by Subscribers, during subscription period, shall not ordinarily be allowed but may be permitted by the President/Vice President upon recommendations of the Committee in their absolute discretion to such extent and for such purposes, subject to such conditions as they may consider appropriate, provided that the Subscriber has continuously served for three (3) years at the University.

i. **In case of temporary withdrawal as refundable loan:**

- (1) Temporary withdrawal from the fund / temporary advances may be granted to the subscribers, out of the balance at their credit in the fund, subject to 80% of the total fund available at his/her credit in the fund;
- (2) The advance shall normally be recoverable through monthly salary in maximum 30 equal monthly installments or as opted by the Subscriber;
- (3) For any fresh temporary withdrawal request consideration, previous loan from the fund; if any, adjustment/refund shall be mandatory.

ii. **In case of permanent non-refundable withdrawal:**

- (1) Non-refundable permanent withdrawal up to 80% of the total fund at his/her credit shall be allowed after attaining age of 50 Years. Such advance shall be treated as part of final payment;
- (2) Such advance can be drawn in addition to temporary advance and vice versa;

12. Notwithstanding anything to the contrary in these rules, no profit shall be charged on the temporary advances/loans or permanent withdrawals drawn by the Subscribers.

13. Disbursement as Final Payment:

- a. When a Subscriber quits the service on or after completion of three years of active service i.e., excluding any Extra Ordinary Leave Without Pay, or attaining age of 60

- years; becomes eligible for 100% of the amount standing to his/her credit in the fund;
- b. If a Subscriber quits services before completion of three years of active service i.e., excluding any Extra Ordinary Leave Without Pay, then only his/her subscription fund amount without University's contribution shall be payable to him/her. In such case, the University's contribution total amount at his/her credit shall be adjusted in the following month's University's total contribution.
 - c. If a Subscriber attains the age of 60 without completion of three years active service, then in that case 100% fund at his/her credit shall be payable to him/her.
 - d. The final payable amount of the Subscriber shall be paid through crossed cheque subject to submission of the final clearance photocopy accompanied with application form duly addressed to the Secretary to disburse the final amount.
 - e. After approval of the President/Vice President, the final amount payable shall be paid through crossed cheque after deduction of any due amount of the University, tax or any other legitimate deductions as per statutory rules.
 - f. **Final Payment.** Outgoing member will receive the Cheque of final payment after settlement of University dues, if any.

14. Nominees:

- a. In the event of death of any Subscriber, while in the service of the University with even less than 3 years of his/her services, the amount at the credit of the Subscriber shall be paid to the person(s) nominated by the Subscriber or the legal heirs in case the death of the nominated person.
- b. Every Subscriber, on being admitted as a Subscriber of the fund, shall nominate a person or persons, who in the event of his/her death while still a Subscriber of the fund, shall receive payment of his/her accumulated balance due.
- c. Every employee shall be required to sign a written declaration that he/she has read the rules and agrees to abide by them and shall hand in for registration in the office of the HR, the names of the persons to whom he/she wishes the balance at his/her credit to be paid in the event of his/her death.
- d. The record of nomination forms of such nominees shall be maintained in the office of the HR of the University.

15. Exclusive Benefits of Subscribers:

The fund is established and shall be maintained for the exclusive benefits of the Subscribers and notwithstanding any other provisions in these rules, or any amendment thereof, the fund or any part thereof, shall not be used for, or divided to purposes other than the exclusive benefit of the Subscribers.

16. CECOS's Lien:

The CECOS shall have the power to recover any money claims which the CECOS may have against a Subscriber out of the amount credited to his/her account in respect of contributions of the CECOS and profit thereon to the extent and in the manner



permitted by the Income Tax Ordinance, 2001, or any modification or re-enactment thereof for the time being in force.

17. Restrictions on Alteration / Assignment:

- a. Except as far as the nomination prescribed by these rules operates, no assignment, mortgage or other disposition of money standing to a Subscriber's credit shall be recognized by the Committee.
- b. Violation of these rules by Subscribers shall entitle the Committee forthwith to stop all further contributions to the fund in respect of such Subscriber.

18. Decision of the President/Vice President as Final:

- a. Any difference which may arise between any Subscriber or his/her executor, administrator, nominees or representative on the one hand and the Committee, on the other hand or any matter arising out of the management of the fund or these rules shall be referred to the President/Vice President and the decision of the President/Vice President thereon shall be final and binding on all concerned save always that if and in so far as any such dispute shall relate to matters concerning income tax, such dispute shall be referred to the commissioner of Income Tax, or other competent authority e.g. Finance Department of Khyber Pakhtunkhwa etc. for the time being having jurisdiction over the fund whose decision shall be final.
- b. The President/Vice President shall approve all the CECPF related decisions.

19. Winding up:

- a. The Committee, with the prior approval of the President/Vice President, at any time, may wind up and dissolve the fund, with two month's written notice to all Subscribers. In addition, in such event, the Committee shall deliver to each Subscriber a final statement.
- b. On such dissolution, each Subscriber's status as such shall end and the fund shall be disbursed, and each Subscriber shall receive the full amount of his/her account, provided that before disbursement all costs of winding up shall have been paid from the fund.

20. Basic Pay:

- a. In order to actualize the CECPF, the CECOS shall start by using the corresponding Basic Pays offered by the Government against the equivalent grades of employees at CECOS, as per the table mentioned on the next page.
- b. The basic pay of the employees with more than 6 months service at their credit by June 30th shall be enhanced annually by 5% for the sake of CECPF contribution only. This will have no effect on the employees' Basic Pays and annual increments earned at the University.

BPS	Minimum Basic Pay of the Govt. Corresponding Scales for CECOS C.P.Fund Contribution Calculation 01.01.2022	Empl. Cont. 7.50%	Empl. Cont. 7.50%	Total Cont. Per Month
1	9,130	685	685	1,370
2	9,310	698	698	1,396
3	9,610	721	721	1,442
4	9,900	743	743	1,486
5	10,260	770	770	1,540
6	10,620	797	797	1,594
7	10,990	824	824	1,648
8	11,380	854	854	1,708
9	11,770	883	883	1,766
10	12,160	912	912	1,824
11	12,570	943	943	1,886
12	13,320	999	999	1,998
13	14,260	1,070	1,070	2,140
14	15,180	1,139	1,139	2,278
15	16,120	1,209	1,209	2,418
16	18,910	1,418	1,418	2,836
17	30,370	2,278	2,278	4,556
18	38,350	2,876	2,876	5,752
19	59,210	4,441	4,441	8,882
20	69,090	5,182	5,182	10,364
21	76,720	5,754	5,754	11,508
22	82,380	6,179	6,179	12,358
IA	82,380	6,179	6,179	12,358
IIA	69,090	5,182	5,182	10,364
IIB	69,090	5,182	5,182	10,364
IIC	59,210	4,441	4,441	8,882
IIIA	59,210	4,441	4,441	8,882
IIIB	38,350	2,876	2,876	5,752
IIIC	30,370	2,278	2,278	4,556

