



**GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT
(REGULATION WING)**

Dated Peshawar the 17/04/2017

NOTIFICATION

No.FD(SOSR-II)/4-36/2017: In exercise of the powers conferred by section 12 of the Khyber Pakhtunkhwa Retirement Benefit & Death Compensation Act 2014 (Khyber Pakhtunkhwa Act No. XXVIII of 2014), the Government of Khyber Pakhtunkhwa is pleased to make the following rules, namely:

**THE KHYBER PAKHTUNKHWA RETIREMENT
BENEFIT & DEATH COMPENSATION FUND
RULES, 2017**

1. **Short title and commencement.** --- (1) These rules may be called the Khyber Pakhtunkhwa Retirement Benefit & Death Compensation Fund Rules, 2017.
(2) These rules shall come into force at once.
2. **Definition.** --- (1) In these rules, unless the context otherwise requires, the following expression shall have the meanings thereby respectively assigned to them, that is so say, -
 - a) "Act" means Khyber Pakhtunkhwa Retirement Benefit & Death Compensation Fund Act 2014 Khyber Pakhtunkhwa Act No. XXVII of 2014);
 - b) "Accountant General" means Accountant General of the Khyber Pakhtunkhwa Province;
 - c) "Government securities" means Government securities defined in the Securities Act, 1920 (X of 1920).
 (2) Words and expressions used not defined in these rules shall have the same meanings as are assigned to them in the Act.
3. **Payment from the Fund.** --- (1) The Fund shall be made available by the Board to defray Government liabilities on account of retirement benefit and death compensation by adopting the Integrated Financial Management Information System of the Province of the Khyber Pakhtunkhwa.

(2) A retired civil servant, in case of his retirement, or his family, in case of his death, shall apply to the Board for claims pursuant to his retirement or death compensation, as the case may be, as specified in the Appendix appended to these rules.

(3) The Board shall make payment of retirement benefit and death compensation to the retired civil servant or his family, as the case may be, and shall maintain the following consolidated broadsheet of the Fund:

- a. Civil Servants;
- b. Director Budget and Accounts, Forestry, Environment and wildlife Department;
- c. Peshawar High Court, Peshawar; and
- d. Provincial Assembly, Khyber Pakhtunkhwa.

(4) The Board shall approve an estimated annual budget demand for payment of the claims of retirement benefit and death compensation.

(5) After approval of the Board the amount of all claims in respect of retirement benefit and death compensation, shall be paid from the Fund to respective retired civil servant or his family, as the case may be, through his bank account.

(6) The Board shall also reconcile the above mentioned receipt with the Accountant General on monthly basis.

(7) The Board shall, for the purpose of the management of Fund, maintain a pool account in a schedule commercial bank, as it deems fit for the receipt of the amount. The Board shall also maintain various bank accounts in the regional head offices of different scheduled commercial banks for the purpose of payments to the retired civil servants or his family, as the case may be.

(8) The amount, so required, shall be transferred from pool account to accounts maintained at regional head offices of various scheduled commercial banks for onward payment through respective bank accounts of the retired civil servants or his family, as the case may be.

(9) In addition to payment under subject section (5) of section 8 of the Act, a retired civil servant shall also pay the amount of his contribution for the period of his leave without pay through or treasury challan in the pool account.

4. Permissible investments. --- (1) Subject to the Act and these rules, the Board shall invest, directly or through a third party, in-

- a) Government securities and the National Savings Schemes of the Federal Government at a fixed or variable rate of interest;

- b) bonds, term finance certificates and other forms of debt, subject to the following minimum credit rating to be determined by the Management Committee:
 - (i) listed on a stock exchange; or
 - (ii) Issued under a prospectus approved by the Securities and Exchange Commission of Pakistan, established under the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997); or
 - (iii) Issued with approval of the State Bank of Pakistan.
- c) shares listed on a stock exchange as part of the portfolio investment of the Fund;
- d) units trusts, mutual funds and other collective investment funds, authorized by the Management Committee; and
- e) a scheduled bank that has a minimum credit rating A (Long term) or above as may be determined by the Management Committee; provided that the aggregate of deposits in a scheduled commercial bank shall not exceed twenty percent (20%) of the value of the Fund at the time of making a deposit.

(2) The Fund shall not be invested in the Government securities or the National Savings Schemes of the Federal Government, if, at the time of the investment, the cumulative investment in such investments exceeds seventy five percent (75%) of the value of the Fund. Similarly, the Fund shall not be invested in shares, unit trusts and mutual funds and other collective investment of funds if at the time of making an investment the aggregate of such investments exceeds ten percent (10%) of the value of the Fund.

- (3) The Fund shall not invest in-
 - a) land, buildings or real estates;
 - b) exploration or exploitation of minerals or natural resources; and
 - c) a real estate investment trust or other investment company that is not listed on a stock exchange.
- (4) The Fund shall not be-
 - a) merged, acquired or nor shall it take over management of any other fund;
 - b) pledge securities owned by the Fund, except for the benefit of the Fund;

- c) participated in a joint account with a person in any transaction;
- d) invest in the real estate except, that it may purchase or rent real estate for its official use;
- e) employed as a broker, directly or indirectly, a member, an employee of the retired civil servant or his family, as the case may be; and
- f) acquired, purchase or sold any security to a member, an employee of the retired civil servant or his family, as the case may be.

5. **Audit.** --- In addition to the provision as contained in the section 10 of the Act, the Board may also carry out audit through Chartered Accountant Firm.

6. **Accounts of the Fund.** --- (1) The accounts of the Fund shall be placed before the Board after close of each financial year in the form and manner as specified in the relevant International Accounting Standards.

(2) The annual accounts of the Fund shall be approved by the Board and shall be signed by the Secretary of the Board on behalf of the Board.

(3) Account of the Fund, available settlement of claims and investment of Fund, shall be jointly operated by Secretary to Government, Finance Department and Secretary to Government, Administration Department, in their capacity as members of the Board. Whereas, claims of retired civil servants shall be settled as per standard operating procedure devised by the Board.

**SECRETARY TO
GOVERNMENT OF THE KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT**