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**Draft MINUTES OF 90<sup>th</sup> MEETING OF BOARD OF TRUSTEES OF EOBI HELD ON 06-04-2010 AT KARACHI.**

The 90<sup>th</sup> meeting of the Board of Trustees of EOBI was held at 10:30 a.m on 6<sup>th</sup> April, 2010, in the Board Room of EOBI, Head Office Karachi, to consider the following agenda:-

S. #	Agenda Items
01.	To consider the on-going implementation progress of the decisions of last three BOT meetings (From 84 <sup>th</sup> to 86 <sup>th</sup> ).
02.	To consider compliance on the decisions taken by the Board in its 87 <sup>th</sup> meeting.
03.	To consider performance of the Institution and minutes of 135 <sup>th</sup> to 138 <sup>th</sup> meetings of investment committee, with comments of Audit Department.
04.	To consider the concept paper for extending Social Security/EOBI Benefits coverage in Pakistan.
05.	To consider and approve Re-structuring of the Employees' Old-Age Benefits Institution (EOBI).
06.	Any-other item with permission of the Chair

2. The meeting was presided over by the Secretary, Labour & Manpower. The following attended the meeting:-

1. Mr. Tariq Iqbal Puri President, BOT  
Federal Secretary, M/o Labour & Manpower
2. Mr. Zafar Iqbal Gondai Member, BOT  
Chairman, EOBI
3. Mr. Shahrukh Nusrat Member, BOT  
Joint Secretary, M/o Labour & Manpower
4. Mr. Tahawar Ahmed Member, BOT  
Financial Adviser, Labour & Manpower
5. Mr. Alam Din Bullo Member, BOT  
Secretary Labour, Sindh

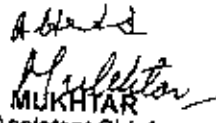
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6.	Mr. Umar Khan Habar Secretary Labour, Balouchistan	Member, BOT
7.	Mr. Abdul Rauf Khan Secretary Labour, Punjab	Member, BOT
8.	Mr. Habibuddin Junaidi Employees' representative (Sindh)	Member, BOT
9.	Malik Imtiaz Mehfooz Employees' representative (Balochistan)	Member, BOT
10.	Syed Imran Ali Shah Employees' representative (Punjab)	Member, BOT
11.	Mr. Gul Rehman Employees' representative (Khyber Pukhtoonkhwa)	Member, BOT
12.	Syed Iqbal Shah Employers' representative (Balochistan)	Member, BOT
13.	Malik Zahid Hussain Employers' representative (Khyber Pukhtoonkhwa)	Member, BOT
14.	Mr. Iqbal Dawood Employers' Representative (Sindh)	Member, BOT
15.	Mr. Ejaz Qayyum Butt Employers' Representative Punjab	Member, BOT
16.	Mr. Mushtaq Ahmed Sammo	Secretary, BOT

3. Secretary Labour, Khyber Pukhtoonkhwa could not attend the meeting due to his official commitments.

4. President, BOT while allowing Secretary BOT to proceed further registered his concern about the late supply of agenda & working papers to him and other Board members. The President, BOT took a serious note and directed that it should not be repeated in future. The Chairman, EOBI assured the Board members, that the agenda of BOT will be circulated in time.

5. With the permission of the chair, Secretary, BOT started the proceedings and informed that minutes of the 88<sup>th</sup> & 89<sup>th</sup> BOT meetings could not be

  
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circulated amongst the members as the same were under the process of approval. The Board observed that minutes of previous meeting were of vital importance and should have been circulated before the next meeting to be held, so that appropriate deliberations could have been made by the members. Thereafter BOT meeting proceeded, as per agenda item.

**AGENDA ITEM NO. 1.**

To consider the on-going implementation progress of the decisions of last three BOT meetings (From 84<sup>th</sup> to 86<sup>th</sup>).

6. Secretary, BOT informed that on going implementation progress report from 84<sup>th</sup> to 86<sup>th</sup> meeting has been included in the agenda. Apprising the Board about the implementation, of decisions of 84<sup>th</sup> BOT meeting, he informed that in pursuance of Board decision a committee was constituted for considering different options to include seasonal workers in EOBI scheme, however the committee could not convene the meeting due to transfer of Secretary, Labour Punjab who was the convener of the committee. The Chairman, EOBI assured the Board that meeting shall be convened within seven (07) days and the given task shall be completed accordingly.
7. While apprising the implementation status in respect of 85<sup>th</sup> BOT meeting the proposal for performance incentives for field officers was revisited, which was an incentive of 0.5% of the amount in excess of the target. The President, BOT inquired about the rationale for the said incentive as well as the progress made by the field officers, in respect of contribution collection and recovery of arrears. The Chairman, EOBI clarified that keeping in view the performance of field offices, justification for incentives does not arise. The proposal of performance incentive on fixed percentage was not approved by the Board.
8. While discussing the implementation in respect of 86<sup>th</sup> BOT meeting, Secretary, BOT informed that Board decided to incorporate all BOT decisions into relevant rules / regulations. In this connection, Board Secretariat prepared a comprehensive presentation and apprised the Board in 82<sup>nd</sup> BOT meeting,

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however Board was of the opinion that institution was under the process of re-structuring, which entail further amendments in service regulations, therefore, it would be appropriate that after the completion of re- structuring, final draft would be presented before the Board. The Board, however decided that a presentation be made in the next BOT meeting.

**AGENDA ITEM NO 2.**

To consider compliance on the decisions taken by the Board in its 87<sup>th</sup> meeting.

9. The Secretary, BOT while briefing about the compliance / action taken on decisions of 87<sup>th</sup> BOT meeting informed that the decision in respect of bonus has been complied with. Mr. Tahawar Ahmed, Financial Advisor (L&M) pointed out that decision of the Board required the approval of Finance Division, as it was a monetary decision. The Chairman, EOBI clarified that as a matter of principle EOBI does not require approval of the Finance Division for monetary decisions. He further clarified that EOBI is a statutory Body and according to the provisions of EOB Act 1976, all the superintendence affairs of the Institution vest with the Board of Trustees. The decision of payment of bonus was recommended by the honourable Board and after the concurrence of Ministry of Labour & Manpower disbursement of bonus was made, therefore there was no justification, regarding the observation of Mr. Tahawar Ahmed. The Board agreed with the Chairman, EOBI and advised Mr. Tahawar Ahmed, Financial Advisor (L&M) that if he has reasons to believe that still matter needs to be referred for approval of Finance Division, he may come up with a comprehensive justification in support of his contentions and place the same before the Board.

10. PC-1 of PRIMACO projects were presented before the Board as decided in earlier BOT meeting.

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AGENDA ITEM NO 3.

To consider performance of the Institution and minutes of 135<sup>th</sup> to 138<sup>th</sup> meetings of investment committee with comments of Audit Department.

11. Secretary, BOT informed that performance of four departments i.e. PRIMACO, Investment, I.T, and B&C has been included in the agenda, while discussing the performance of PRIMACO in respect of EOBI, Novatel Hotel. President, BOT inquired about the contract date and specifically inquired about date of commencement of excavation along with reason for the delay. The Chairman, EOBI explained the reasons and assured that all possible efforts shall be taken to expedite the work.

Agenda Item No. 4

To consider the concept paper for extending Social Security/EOBI Benefits coverage in Pakistan.

12. Chairman, EOBI presented the concept for extending Social Security / EOBI benefits coverage in the country. While introducing the concept paper he apprised regarding the main issues, as mentioned below:

- The coverage of the existing scheme is extremely limited, and does not fulfill the purpose of EOBI Act in its true spirit.
- The current contribution limit, administrative mechanism and implementation require modifications.
- EOBI legal authority needs further legal support in respect of acquiring information, conduct inquiry and investigation, action against employers' who are not fulfilling their legal duty and avoiding contributions.
- The present scheme also lack creditability, ownership amongst beneficiaries due to fear of miss-management.

13. While describing the issues, he also suggested a number of measures to enhance the scope of the scheme and desired to introduce Universal Coverage,

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whereby every person other than who had already been provided this facility shall be eligible for the benefit by taking following measures.

- Improve the governance of the scheme through effective advocacy, professionally managed media campaign.
- The proper designing of scheme to make it economically efficient and competeable with constitutional principle and international social values.
- Enhancing legal authorities, administrative control, human resource abilities, technology empowerment and ability to create synergies with other institution such as NADRA and Federal Bureau Revenue (FBR).

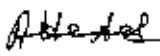
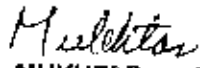
14. The concept paper was discussed at length, a number of questions regarding amendments in EOB Act and the proposed measures were raised by honourable member. After detailed deliberations the concept was principally agreed and appreciated by the Board.

**Agenda Item No. 5**

To consider and approve Re-structuring of the Employees' Old-Age Benefits Institution (EOBI).

15. Chairman, EOBI presented a comprehensive Multi Media presentation on Re-structuring of EOBI and proposed the following re-structuring.

- i. The operations Division may be bifurcated into two and there should be two DGs (Ops), DG (Operations)-I and DG (Operations)-II with following jurisdiction:
  - a. DG(Ops)-I to look after the following Departments
    - i. DDG (B&C) South
    - ii. Information Technology Department
    - iii. Law Department
  - b. DG(Ops) -II to look after the following Departments:
    - i. DDG (B&C) Central
    - ii. DDG (B&C) North

  
  
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- ii. The B&C department may have three DDGs instead of the present two. Their jurisdiction and location would be as under:
    - a. DDG, B&C (South) to be located at Karachi with 12 Regions in Sindh & Baluchistan, besides would also be responsible for HQ related operational activities.
    - b. DDG, B&C (Central) to be located at Lahore 13 Regions in Punjab.
    - c. DDG, B&C (North) to be located in Islamabad with 12 Regions in Punjab, Khyber Pukhtoonkhwa, Gilgit-Baltistan (By way of upgrading post of Director (M&E) as DDG (B&C)).
  - iii. There would be twenty (20) "A" Category Regions with Director as Regional Head and seventeen (17) "B" Category Regions with Deputy Director as Regional Head in the light of the Board's decisions.
  - iv. The post of IT Support and Coordination Officer in the sixteen (16) "B" category Regions may be upgraded from EO grade to AD grade and six (06) new posts of IT support and coordination Officers may be created for the six (06) Regional Offices approved by the Board. IT S&C officer will also be responsible for PR-02A entry & processing. This will help in maintaining the record of the employers, IPs and pensioners and update the payments and receipts. This will help to reap the benefits of information Technology and facilities of computerization.
  - v. Internal Audit and M&E departments may be merged together and be renamed as Internal Audit Department. It will comply with performance audit, post audit of receipts & payments and special audit on the directions of the Chairman.
  - vi. The revised sanctioned workforce of the institution would be 1377 (722 Officers, 655 Staff).
  - vii. The financial impact of the proposal would be Rs 114 million per annum which would be compensated with enhanced registration of employers, IPs and collection of contribution. It would also have a social benefit to enhance facilitation of the IPs and pensioners.

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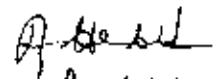
16. After detailed deliberations on each slide of the presentation, the President. BOT observed.

- That the basic need to revamp the institution activities was to improve the collection of contribution, therefore while Re-structuring, management must ensure proper accounting system, adequate monitoring arrangement and the upto date reconciliation.
- That the mindset of the officials need to be changed in accordance with the policy and directions of the Board, without ensuring the same all efforts to Re-structure the institution would be meaningless.

17. The Board approved the proposed re-structuring with following modifications:

- DDG (Internal Audit), Adjudicating Authorities-I & II, Secretary, BOT, DDG (HR & GA) and DDG (I.T) shall report directly to the Chairman.
- The creation of proposed post of DG (Operation-II) was agreed alongwith supporting staff details of staff shall be finalized in consultation with Ministry of Labour & Manpower.
- The creation of proposed post of Director for DG (Ops-II) was not allowed.
- The Board agreed with the proposal that DG (investment) shall prepare a comprehensive paper to enhance the pay package for three following investment managers in view of the market based salaries:
  - Manager Finance Settlement
  - Manager analyst (equity)
  - Manager fixed income investment
- The Chairman EOBI is authorized to make any adjustments/ placements of offices/officers keeping in view the operational needs.

There being no other agenda of the meeting ended with thanks to the chair

  
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