



EMPLOYEES' OLD-AGE BENEFITS INSTITUTION

15th

MINUTE BOOK

HELD AT
KARACHION
3RD SEPTEMBER, 1986TIME
9.00 A.M.

MINUTES OF THE 15TH MEETING OF THE BOARD OF TRUSTEES
HELD AT KARACHI AT 9.00 A.M. ON 3RD SEPTEMBER, 1986,
IN THE BOARD ROOM OF THE EMPLOYEES' OLD-AGE BENEFITS
INSTITUTION, 190/1/B, BLOCK-2, PECHS, KARACHI.

The 15th Meeting of the Board of Trustees of the Employees' Old-Age Benefits Institution was held at the Head Office of the Employees' Old-Age Benefits Institution, at Karachi on 3rd September, 1986 at 9.00 A.M.

The following participated in the meeting:-

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| 1. | Mr. Jawaid Ahmad Mirza,
Federal Secretary Labour, Manpower &
Overseas Pakistanis,
Government of Pakistan. | President |
| 2. | Mr. Hamid Akhtar Niazi,
Financial Adviser,
Labour Division,
ISLAMABAD. | Member |
| 3. | Mr. M.A. Beg,
Joint Secretary,
Labour Division,
ISLAMABAD. | Member |
| 4. | Mr. Javed Ashraf Hussain,
Secretary Labour Department,
Government of Sind,
KARACHI. | Member |
| 5. | Mr. Saadullah Khan Marri,
Secretary Labour Department,
Government of Baluchistan,
QUETTA. | Member |
| 6. | Mr. Tariq Hamid,
Employers' Representative,
Lahore. | Member |
| 7. | Mr. Abdullah Ismail
Employers' Representative,
Karachi. | Member |
| 8. | Mr. Malik Meherban,
Employees' Representative,
Rawalpindi. | Member |
| 9. | Mr. Nabi Ahmed,
Employees' Representative,
Karachi. | Member |

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| 10. | Mr. M. Zahoor Awan,
Employees' Representative,
Peshawar. | Member |
| 11. | Mr. Khair Muhammad Baluch,
Employees' Representative,
Quetta. | Member |
| 12. | Syed Imran Shah,
Chairman,
Employees' Old-Age Benefits Institution,
Karachi. | Member |
| 13. | Mr. S. Barkatullah,
Director General,
Employees' Old-Age Benefits Institution,
Karachi. | Member |

The following officers also attended to assist the Board in its deliberations:-

- 1) Mr. M. Ashraf Nadeem,
Deputy Director General, EOBI.
- 2) Mr. Abbas Hussain,
Deputy Director General(EDP), EOBI.
- 3) Mr. Iqbal Ahmed Siddiqui,
Assistant Director General(Finance), EOBI.
- 4) Mr. Asadulla Khan,
Assistant Director General(F.O.), EOBI.
- 5) Mr. Mujtaba Rasul,
Director (Law) & Secretary BOT.

The Meeting started with the recitation from the Holy Quran.

Opening the deliberations, the President of the Board welcomed all the members on behalf of E.O.B.I. and on his own behalf to the meeting. He said that this meeting of the Board was of special importance as it was the first meeting after the enforcement of the revised Pension Scheme which had improved the pension rates by nearly three times. The Board should at this meeting consider ways and means of making the Scheme more effective and more responsive to the needs and requirements of the workers.

Speaking next Mr. Nabi Ahmed welcomed the new President and hoped that under his guidance the Board will be able to make its due contribution toward the improvement of the operations of E.O.B.I. He proposed that the Board appreciate the services rendered by Mr. M.A. Kazmi the outgoing President of the Board. Speaking on behalf of the workers

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representatives, Mr. Nabi Ahmad assured the Board of their full cooperation. He however, felt that there was an urgent need to make the Board really autonomous and effective. Till now the Board had depended for solution of several important problems on the Government. He advocated timely action on the decisions of the Board particularly in financial matters as delay could cause financial loss to the Institution. He, however, lauded the work which was being done by the Institution for the welfare of workers and stated that no other organisation in the country was rendering such valuable service with dedication for the welfare of the working class as was being done by E.O.B.I.

After Mr. Nabi Ahmad had spoken, the Chairman E.O.B.I. welcomed the President of the Board and said that he was an old colleague of his. The Institution was getting all the cooperation from the President in all policy matters referred to him. It was a pleasant co-incidence that soon after he took over as the Secretary, Labour, Manpower & Overseas Pakistanis, the new and improved pension scheme was finalised. The Chairman hoped that during the presidentship of Mr. Jawaid Ahmad Mirza, E.O.B.I. would make further improvements in all spheres.

Mr. Tariq Hamid said that EOBI was the only Institution where workers were being given enviable benefits. He agreed with Mr. Nabi Ahmad that the Board was not fully autonomous in the sense that some of its decisions were subject to the approval of the Government i.e. Labour Division or Finance Division. He wanted to know as to what exactly were the powers of the Board. Since the Board was headed by the Federal Secretary, these decisions should not be subject to approval or ratification by any other authority. Quoting an example he said that some times back the Board had decided on grant of some allowances to certain categories of employees but this decision of the Board was over-ruled by the Finance Division. Replying to Mr. Tariq Hamid, the Financial Adviser said that it had to be ensured that financial decisions taken by the Board were not out of tune with the Government policy as a whole. Hence, the Board's decisions in some of the matters had to be looked into by the Finance Division in a larger perspective. Speaking in this connection, the President said that even private sector Boards were not entirely autonomous and in certain matters their decisions such as for new investments etc. were subject to the approval of the Government. The E.O.B.I. Board had to go to the Government especially when compliance of legal requirements was involved. He said that he firmly believed in two things, namely, that the Institution should be fully accountable to the Board and secondly that there should be minimum interference with the working of the Board.

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Mr. Nabi Ahmad complained that a dispute was going on between the management of the Institution and the employees' union on the point whether there should be a union in the Institution or not. The case was presently in the Supreme Court but the Board had not been informed of the case at any stage. He wanted to discuss this case in the Board meeting. Mr. Malik Meherban supporting Mr. Nabi Ahmad gave a history of the case and said that the stand of the Institution was that the IRO was not applicable to the Institution on the precedent that it was not applicable to the Social Security Institution in the country. When the matter went to the NIRC, it decided the case against the management who went to the High Court against the decision of the NIRC but High Court also gave a decision against the management and now they had gone to the Supreme Court. He said that the case of the union v/s. management should be brought before Board. The Board decided that a working paper on the subject giving full details of the case should be presented to the Board at its next meeting.

After the above discussion, the items of the agenda were taken up for deliberation.

ITEM NO.1: CONFIRMATION OF THE MINUTES OF THE LAST BOARD MEETING:

Mr. Zahoor Awan pointed out that in the last meeting he had raised a point regarding the difficulties being faced by the employees of closed units in the production of wage record. He said that the Institution required record of the last 12 months wages and contribution for settlement of claim. This requirement could not be satisfied in the case of those establishments which had been closed down. In such cases he suggested that an affidavit from the Insured Person about insurable employment should be acceptable. This discussion was not recorded in the minutes. Mr. Nabi Ahmed was of the view that if a copy of the contribution card now being maintained by the Institution was supplied to the worker at the end of each year or a statement showing the details of yearly contribution was sent to him, the problem raised by Mr. Zahoor Awan would be automatically solved. Mr. Barkatullah explained that the Institution was seized of the problem and was devising a system whereby it would be possible to furnish the required information to every insured person on yearly basis. Mr. Awan expressed his satisfaction and did not press the point further.

The Board, thereafter, confirmed the Minutes.

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ITEM NO.2: REPORT ON ACTIONS TAKEN ON DECISIONS OF
THE BOARD IN ITS LAST MEETING.

13. The Chairman, E.O.B.I. pointed out that all the items of the report had been discussed by the F&A Committee in its meeting held on 2nd September, 1986 and he invited the attention of the Board to the minutes of the F&A Committee. The Board discussed the following items of the report:

Serial No.7 of the Report:

14. This item related to a blanket allocation of Rs. 80 Lacs in the budget for the year 1986-87 for purchase/construction of buildings. The President was informed that the Board has already constituted a Committee consisting of (1) Financial Adviser Labour, (2) Joint Secretary Labour, (3) Secretary Labour of the Province concerned and (4) Director General of the Institution to finalise the purchase of plots/buildings with the approval of the Chairman. It was decided that these purchase be invariably brought to the notice of the Board.

Serial No.10 of the Report:

15. This item related to observance of quota in recruitment of staff in the EDP Division of the Institution. The Financial Adviser informed that the F&A Committee while discussing this issue had recommended the insertion of the following remarks against this item of the progress report:

"If suitable candidates from all Provinces were not available as per the prescribed quotas the short fall will be made good in future."

16. The Board accepted the F&A Committee's recommendation and decided accordingly.

Serial No.12 of the Report:

17. This issue related to payment of Technical & Computer Allowances to the employees of the Institution and concession of Moveover to those who had reached the maximum of their pay-scales.

18. Mr. S. Barkatullah informed that F&A Committee had recommended resubmission of this case to the Finance Division through the Financial Adviser. The Board accepted the recommendation of the F&A Committee.

Serial No.13 of the Report:

19. The Board approved the recommendation of the F&A Committee regarding increase in the Daily Allowance of non-Official Members of the Board to Rs.200/- per day and approved the amendments proposed by the Institution

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in the FOBI (Board of Trustees) Rules, 1977. Hotel expenses not in excess of three times the daily allowance would, however, be reimbursable only on production of receipts of hotel expenses.

Serial No.18 of the Report:

20. The Board accepted the recommendations of the F&A Committee that since the revised Pension Scheme had already been introduced, allowing very liberal increase in pension, the proposal to give 13.5% increase in the existing Pension Scheme had become redundant.

ITEM NO.3: CONSIDERATION OF THE AMENDMENTS MADE IN THE EOB ACT UNDER THE FINANCE ACT, 1986.

21. The Board took note of the F&A Committee report on the subject. Mr. M.A. Beg, however, pointed out that as a result of the amendments in the Act, Government had agreed to contribute 5% of the wages of the insured persons towards the Pension Fund, on quarterly basis. To get this contribution from the Government, it was necessary to make an official reference to the Finance Division intimating the Government liability in this behalf. Mr. S. Barkatullah informed that the Institution had devised a system whereby M/s. Habib Bank Limited, who were responsible for collection of contribution on behalf of the Institution, would give a certificate, at the close of each quarter, showing the contributions collected by them @ 5%. Mr. Nabi Ahmed did not agree with this system and said that Government contribution was payable not on the basis of the collection made by the Institution but as a percentage of the wages of all the insured persons covered under the Scheme. The attention of the Members was invited to Section 9-A of the EOB Act which related to Government liability on the subject. According to this Section Government was bound to pay, every quarter, contribution to the Institution in respect of every insured persons at the rate of 5% of his wages in the prescribed manner. The Board decided that Government liability should be worked out in accordance with Section 9-A of the Act and a reference be made to the Finance Division to pay its share of the contribution.

ITEM NO.4: CONSIDERATION AND APPROVAL OF DISEASES TO BE TREATED AS OCCUPATIONAL DISEASES.

22. This matter related to Occupational Diseases. The Board accepted the F&A Committee's recommendations and decided that for the time being, the list of occupational diseases, as at present, should remain confined to only three, namely:-

- a) Anthrax
- b) Twisters' Cramp
- c) Byssinosis

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23. It was observed that the E.O.B.I. must not enter the area in which Social Security Institution operated and there should be no duplication in this regard.

ITEM NO.5: CONSIDERATION OF THE REPORTS OF THE REGIONAL VIGILANCE COMMITTEE ON PREPARATION OF LIST OF ARREARS OF CONTRIBUTION.

24. A list of arrears prepared by the EDP Division of the Institution, on the basis of the information received from the Regional Offices, was produced before the Board. The list was not complete as 3 Regions had not sent the requisite information in time which could not be incorporated in the list. Explaining the list, Mr. S. Barkatullah pointed out that the amount of arrears mentioned in the list were not exact. The list had been prepared on assumptions as to number of insured persons and the amount of wages. Accurate list of arrears could not be prepared due to non-cooperation of the defaulting employers who refused to show their books of accounts to the officers of the Institution. In such circumstances, the Institution had to prepared the list on assumptions and raise excess demand so that the employers could agree to produce their books of accounts for determination of their actual dues. The Director General, therefore, suggested that the list provided to the Members should not be taken as an authentic record of arrears. Malik Meherban was of the view that this issue had been pending since long. Mr. Abdullah Ismail agreed with Malik Meherban.

25. The President showed serious concern over the sate of affairs and said that we could not operate on the basis of assumed figures. He said that E.O.B.I. should give serious consideration to the matter and evolve a system whereby correct information is available. The President was of the view that regular system of checking should be devised by the Institution so that correct recovery from the employers could be ensured. The President desired that a survey of all employers in the country employing ten or more persons should be undertaken and all the surveyed units devided into covered units and non-covered units". This was the basic information required for proper coverage of the Scheme.

26. Mr. Nabi Ahmed reaffirming the views of the President said that a survey should be carried out by employing students from Colleges and Universities particularly during vacation and by contacting agencies like CSO, Chamber of Commerce and Industries and such other organisations for the purpose of information." "The President observed that the matter

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regarding modus operandi of carrying out the survey be left to the Institution. However, the Institution should devise means to prepare the list of all establishments operating in the country employing 10 or more persons indicating the registered and un-registered units. He further desired that if any of the registered units was in default, it should be followed up vigorously and arrears recovered and as regards unregistered units, efforts should be made to register them without any further loss of time. He desired that a report in this regard should be submitted at every Board Meeting.

27. He further desired that in every meeting of the Board there should be a working paper on the review of the performance of the Institution relating to the period between two Board Meetings. Emphasising the need for regular inspection he suggested that the senior executives of the Institution should also from time to time, conduct inspections and submit reports to the Chairman. The President observed that the Central and the Regional Vigilance Committees should frequently meet.

ITEM NO.6: CONSIDERATION OF DOING AWAY WITH PAISA ACCOUNTING IN ALL THE RECEIPTS AND PAYMENTS OF THE INSTITUTION.

28. The Board accepted the recommendation of the F&A Committee on this item and approved the doing away with paisa accounting, as proposed, in all the receipts and payments of the Institution.

ITEM NO.7: CONSIDERATION AND APPROVAL FOR ESTABLISHMENT OF ACTUARIAL-CUM-INVESTMENT DIVISION IN THE INSTITUTION.

29. Mr. Hamid Akhtar Niazi, referring to the report of the O&M Division, pointed out that according to the recommendations of the Report, actuarial and O&M work should be done on contract basis. He gave a background of the O&M report and upgradation of certain posts done by the Board in the past. After considerable discussion on the subject, during the course of which the duties and responsibilities of an actuary were also discussed in depth, it was the unanimous view that actuarial services were necessary for the Institution. It was decided that the actuary who was heading the Actuarial Division of the State Life Insurance Corporation of Pakistan or any other reputed actuary of the country may be invited in the next Board meeting to explain to the members of the Board the role which an actuary can play in the affairs of the

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Institution and whether the Institution should acquire these services through consultants or by engaging a whole time actuary.

ITEM NO.8: CONSIDERATION OF ESTABLISHMENT OF TWO REGIONAL OFFICES OF THE INSTITUTION AT BAHAWALPUR AND SARGODHA AND A FIELD OFFICE AT JANG.

30. The Board approved the creation of two Regional Offices (at Bahawalpur and Sargodha) and one Field Office at Jhang and the additional manpower as proposed in the working paper with the condition that maximum economy in expenditure would be observed in the setting up of these offices. It was also decided that the Institution would examine the question of opening of new regions in other provinces and put up a paper in the next Board meeting, or any subsequent meeting, indicating also the yardstick for opening of new offices.

ITEM NO.9: CONSIDERATION OF THE ADMINISTRATIVE AND ORGANIZATIONAL MATTERS PERTAINING TO THE QUETTA REGION OF THE INSTITUTION.

31. Mr. Saadullah Khan Murri complained that Quetta Region of the Institution was a neglected region as there was no Director or Deputy Director. The jeep provided to the region was an old one and sufficient field staff was not available. Replying to Mr. Murri, Mr. Barkatullah informed that Quetta Region was the smallest region of the Institution and hence posting of a Director there was not feasible. However, in the past the region was headed by a Deputy Director or an Assistant Director.

32. As regards transport, Mr. Barkatullah said that the old jeep of Quetta Region was replaced by a new Suzuki Jeep. Mr. Marri said that this Jeep could not function properly on the terrain in the Baluchistan Province and more sturdy Jeep was required. The distances were long and roads were not good in many parts of the Province.

33. As regards field staff, Mr. Barkatullah pointed out that recently a senior Executive Officer had been posted at Hub as Officer-in-Charge assisted with an Executive Officer and one Assistant. A Jeep had also being provided. Again, the Institution was always particular in observing the Baluchistan quota while making recruitments. In the past, whenever any person of Baluchistan Domicile was required the Institution sought the help of S&GAD Department of the Government of Baluchistan in the selection of candidate of the said domicile.

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34. After some discussion it was decided that a new Diesel jeep should be provided to Quetta Region and the Suzuki Jeep given to Quetta Region should be given to the proposed Bahawalpur Region. Mr. Barkatullah said that E.O.B.I. had already decided to post a Deputy Director as Regional Head of Quetta Region with one Assistant in addition to the existing manpower in the said Region. The Deputy Director will join shortly.

ITEM NO.10: CONSIDERATION AND APPROVAL OF ALLOCATION OF 150 UNITS OF REGISTERED ESTABLISHMENTS TO EACH EXECUTIVE OFFICER(FIELD).

35. The Board decided that the recommendation of the O&M report regarding allocation of units per Executive Officer(Field) should be taken as a guideline. Any deviation from this recommendation should be fully justified.

ITEM NO.11: CONSIDERATION AND APPROVAL OF ADDITIONAL MANPOWER REQUIREMENTS OF THE INSTITUTION AND APPROVAL OF ADDITIONAL BUDGET THEREFOR:

36. The Board approved the following additional posts for the Head Office as requested for by the Institution:-

- (1) Deputy Director (Reconciliation) - 1
- (2) Assistant Director (Audit) - 1

ITEM NO.12: CONSIDERATION AND APPROVAL OF PAYMENT OF TECHNICAL ALLOWANCE AND COMPUTER ALLOWANCE TO THE OFFICIALS OF THE INSTITUTION.

37. The Board accepted the recommendations of the F&A Committee that the issue be referred to the Finance Division through the Financial Adviser Labour Division.

ITEM NO.13: CONSIDERATION OF AMENDMENTS IN EOBI(LOANS TO EMPLOYEES) REGULATIONS 1980 PERTAINING TO HOUSE BUILDING LOANS TO OFFICERS OF THE INSTITUTION.

38. The Board desired that a working paper on the subject, showing financial implication involved in the grant of house building loans to the officers of the Institution, should be put up in the next Board meeting. The Board gave the following parameters to be kept in view while preparing the said paper:-

- (1) Only those officers should get the house building loans who have a minimum of 10 years service.

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