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**Employees' Old-Age Benefits Institution**  
**B & C Department, Head Office, Karachi**

Ref: HO/B&C/Cir/New Scheme/2008

Dated: August 25, 2008

**Circular No. 3/2008-09**

Subject: **Management of Establishments employing (5-9 persons) as a New Scheme**

The EOB Act, 1976 has been amended through the Finance Act of 2008, notified through the Gazette of Pakistan No. F. 22(12)2008-Legis dated 27-06-2008. Through these amendments, establishments employing five (5) or more persons have become eligible for registration under the provisions of the EOB Act, 1976, with effect from 1<sup>st</sup> July 2008. As establishments employing 5-9 (five to nine) persons would mostly fall under the informal sector of economy, therefore, its registration, collection of contribution, recoveries, record building, processing of claims and its administration needs to be dealt with differently but progressively, competently and promptly. The following procedures have been devised which shall be adhered to in letter and spirit by all and sundry.

**A. Registration of Establishments:**

- i. The existing registration form (PR-01) shall be used for registration of establishments employing 5-9 persons. Currently used PR-01 form shall be suitably amended to register employers under the scheme. Revised PR-01 forms shall be supplied in due course of time.
- ii. A new category 'S' shall be inserted in the PR-01 form which shall differentiate the smaller establishments from the regular scheme.
- iii. No suo-moto registration of small establishments employing 5-9 persons shall be made as it would create a barrage of complaints, litigation and tarnish the image of the Institution.
- iv. PR-01 and PE-01 shall be obtained simultaneously.

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- v. IT Department has created a unique identity for establishments and Insured Persons (IPs) registered under the scheme by allotting unique numerical. The same need to be understood.
  - vi. Regional Heads shall hold meetings with the Merchants'/Traders' Associations to brief them about the benefits of the scheme. They shall also deliberate and make clear the mechanism of registration with the respective traders'/merchants' bodies/associations to minimize contact between Beat Officers and the employers to speed up registration. Preferably registration of these establishments and associated IPs therein shall be done through their respective associations to avoid complications and complaints.
  - vii. Computer would allot Registration No. to respective employer (s) only if associated with corresponding PE-01 ***through PICE for Regions other than Karachi. Regions at Karachi would use Core Business Application (CBA) which has been activated from 21<sup>st</sup> August 2008 for all operational activities.***
  - viii. Registration certificate (PI-02) shall not be issued until its employees with full particulars are identified and PE-01 form is entered in computers.
  - ix. Employees' registration (PI-03) cards shall be issued only along with Employers' Registration Certificate (PI-02) at the same time.

**B. Registration of IPs:**

- i. Names/identity of IP shall be ascertained at the time of registration of the establishments. PE-01 in respect of all employees shall be obtained while registering the establishment as issuance of Registration Certificate to the employer would not be generated until corresponding PE-01 in respect of all IPs are computerized.
- ii. IT Department shall ensure unique registration number for IPs to distinguish IPs registered after 30<sup>th</sup> June, 2008. This is important as IPs registered after 30<sup>th</sup> June, 2008 shall no longer enjoy benefits of the concessionary clauses of becoming eligible for benefits after completing five (05) and/or seven (07) years of Insurable Employment (IE). This would only be possible if data entry is **correctly carried out**

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specifically the date of applicability, which is very significant after the recent amendments.

- iii. IPs once ascertained at the time of registration of establishments shall continue till the employer notifies any change.
- iv. Employers shall be educated to submit change immediately.
- v. Contribution received every month shall positively be credited to the IPs individual account in the database.
- vi. There shall be no annual return of PR-02A by establishments under the new scheme.

**C. Collection of Contribution:**

- i. Regional Heads in their meetings with the respective trade body/association shall evolve a mechanism through mutual consultation for regular payment of contribution on flat rate. As contribution has been linked with the minimum wages for unskilled workers, therefore, every effort shall be made to prevail upon the newly registered establishments to pay contribution @ Rs. 360/- per month per IP.
- ii. Being small employers, likelihood of huge monthly default can-not be ruled out. To offset enormous rate of default, these establishment shall be sent system generated monthly contribution notice till December 2008.
- iii. From January 2009 onwards system generated monthly contribution bill (Pre-filled PR-03) with details of monthly contribution, number of IPs, due date of payment, nearest bank branch, details of previous months contributions, contribution with 2% Statutory Increase, if paid after due date, shall be sent to them every month. This shall effectively reduce compliance cost and minimize contact between field staff and employers.
- iv. System shall be in place to monitor any reduction in number of IPs and contribution.
- v. Contributions shall be credited to individual IPs' account every month.
- vi. Separate accounts shall be maintained for each IP which shall be identifiable through EOBI/CNIC/NIC numbers.

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- vii. In case where number of IPs is reduced, it would be the responsibility of the Field Officer to obtain the name of employee who has left the job.
- viii. Yearly returns of PR-02A for establishments employing 5-9 shall not be required as it would not be feasible as most of the establishments/businesses registered would fall under the **informal sector**.
- ix. Wages should be determined on the basis of contribution being paid which shall be streamlined through discussions with traders' associations.
- x. Assessments and demands shall be **very realistic** and shall in no case be exaggerated.
- xi. Issues related to non-payments and recoveries shall be taken up through the respective traders' associations.
- xii. Alternate Dispute Resolution Mechanism shall be prescribed to avoid lengthy litigations to minimize management costs.

**D. Record Building:**

- i. Record Building of establishments/Insured Persons shall be done from the '**day one**'.
- ii. PR-01 without PE-01 **shall not** be accepted in any manner.
- iii. IPs particulars (PE-01) shall be entered along with the PR-01 for allotment of registration number as well as IP's registration (PI-03) cards.
- iv. PI-03 shall be delivered to the IPs directly on their mailing addresses as per their CNIC/NIC or as given in their PE-01 form.
- v. System generated Monthly Notices (MCN) to registered establishment shall be sent on their correct given addresses to avoid any complications at later stage.
- vi. Individual Accounts shall be maintained for every IP and updated every month regularly.
- vii. IPs should be informed of their contribution status on yearly basis.
- viii. System shall generate letters as and when required to defaulters; newly registered establishments/IPs and prospective pensioners.
- ix. System shall generate Claim forms to the prospective pensioners under this Scheme.

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- x. Wages shall be determined on the basis of contribution paid and wage statement shall not be required at the time of claims etc.
2. The above procedure shall be followed religiously in letter and spirit. No deviation from the prescribed procedure shall be tolerated.
3. Weekly reports on registration of the establishments employing 5-9 employees shall be submitted regularly on the attached proforma.
4. Lets' follow the slogan "We get the work done; challenges are our bread and butter".

*Hanif*  
(Muhammad Hanif)

Deputy Director-General (B&C)

**Copy for information to:**

1. Staff Officer to the Chairman
2. The FA/DG (F&A)
3. All Departmental Heads/*PHs*.
4. Adjudicating Authority-I & II
5. ADG (M&E-I & II)
6. Web Master

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### Registration of Establishments ( Employing 5-9 )

### WEEKLY REPORT

Region \_\_\_\_\_  
Report for the week \_\_\_\_\_

S.NO.	BEAT	ESTABLISHMENT REGISTERED			REMARKS
		LAST WEEK	DURING WEEK	TOTAL	
Total					

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