



**EMPLOYEES' OLD AGE BENEFITS INSTITUTION**  
OFFICE OF THE DIRECTOR GENERAL (OPERATIONS)  
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Ref: EOB/DG(Ops)/Circular/17  
Date: 2<sup>nd</sup> August, 2017 934

**Circular No. 04 / 2017-18**

[Duplication of Benefit: Old Age Grant & Survivor Pension]

1) **Preamble**

The prime responsibility of every officer of the institution is to act as a "Trustee" of the "EOB Fund" with the responsibility to ensure that all benefits are paid out of the fund in a uniform and judicious manner in accordance with the requirements of EOB Act 1976, Rules & Regulations made there-under as well as other statutes and canons of law. There is no room for disbursement of benefits on the basis of past liberal practices based on element of sympathy, divorced from legal dictums.

The EOB fund is fast depleting due to legal lacunas, post devolution litigations and increasing liability of enhanced benefits. The last actuarial evaluation of the fund upto 30.06.2012 carried out in 2015 has revealed that the EOB fund shall start depleting in 2023 and be exhausted in 2027. It is therefore, incumbent every officer of the institution weather they work in the Operations, Adjudication, IT, Law, Finance etc. to ensure sustainability of the fund on long term basis to avoid any situation of chaos and uncertainty arising from possible depletion of the fund.

This Circular on Duplication of Benefit: Old Age Grant & Survivor Pension should be understood in the above prospective. It shall therefore be incumbent upon every officer of the Institution to implement this Circular in the letter in spirit.

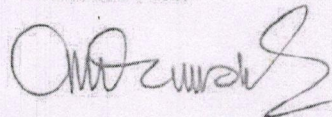
2) **Duplication of Benefit: Old Age Grant & Survivor Pension**

In utter disregard of Section 22B(1)(1A) / (2) & 28, Old-Age Grant cases are converted into Survivor Pension where the insured person was either entitled or had already received Old-Age Grant. Following legal and logical reasons restrict award of survivor pension in such cases;



- (i) Section 22B(2) of EOB Act 1976 reckons that only Old Age Pension and Invalidity Pension can be converted to Survivor Pension after expiry of the pensioner. No provision in the said clause stipulates conversion of Old Age Grant to Survivor Pension. Section 22B(2) states that "In the case of the death of an insured person who had become **entitled to old-age pension or invalidity pension** before his death, the surviving spouse, shall, if the spouse had married the deceased person before he had attained the minimum age prescribed for old-age pension, **receive life pension equal to the pension of such person**". It is evident that this clause is only applicable for Old Age & Invalidity Pension recipients. The law makers have not considered Old Age Grant as benefit convertible to survivor pension. Hence, conversion of Old Age Grant cases to Survivor pension is illegal ab-initio and not supported by Law.
- (ii) Presently, Old-Age Grant Cases are processed for conversion to survivor pension under section 22B(1)& (1A) in utter disregard of Law. While processing such claims, it is misunderstood / forgotten that these sections are only applicable to the Insured Persons who died before reaching the age of entitlement to pension i.e. 60 years in case of man & 55 in case of woman. On the contrary, Old Age Grant is awarded to those insured persons who have attained 60 / 55 age and do not meet minimum required insurable employment. Moreover, after receipt of Old-Age Grant, the claimant does not remain "Insured Person", anymore, rather he / she becomes a pensioner. As soon as the claimant receives / becomes entitled to Old-Age Grant after superannuation, his / her status as "insured person" ceases to exist. Therefore, conversion of Old-Age Grant to Survivor Pension is devoid of fulfillment of basic condition of entitlement as "insured person". Therefore, Old-Age Grant recipient or any person entitled to such benefits shall not be converted survivor pension after his / her death on the basis of reduced insurable employment of 3/5 years as provided as section 22B(1) & (1A).
- (iii) According to Section 2(a) of EOB Act 1976, "**Benefit**" means; "**Old-Age Pension**", invalidity pension, survivors' pension old-age grant and such other payments as may be determined by the Federal Government from time to time."

According to Section 28(1) of EOB Act 1976; "*An insured person shall not be paid for the same period more than one of the benefits provided for in this Act.*"



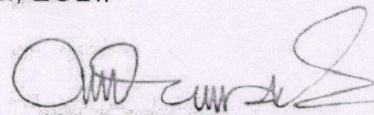


Section 28 read with Section 2(a) of EOB Act 1976, makes it rather unambiguous that if the Institution has paid any benefit to an insured person (with reference to his insurable employment) say Old-Age Grant, as final settlement of his claim under the EOB Act, his / her spouse shall not be entitled to any other benefit with reference to the same insurable employment. Since Old-Age Grant or Survivor Pension is calculated against the same insurable employment. Therefore, by virtue of above restriction of section 28 & 2(a), duplicate benefits shall not be awarded against the same insurable employment.

Henceforth, Old-Age Grant shall not be converted to survivor pension, whether the claimant was a recipient or entitled to Old-Age Grant.

This Circular shall override any of the previous Circulars / instructions on the subject to the extent of inconsistency. All pending pension claim as on the date of this Circular shall be processed under this Circular.

This Circular is being issued with the approval of Chairman, EOBI.



**(Abdul Wahid Uqaily)**  
Director General (Operations)