GOVERNMENT OF PAKISTAN
ESTABLISHMENT DIVISION
FEDERAL EMPLOYEES BENEVOLENT AND GROUP INSURANCE FUNDS

No. 6/Policy (Act & Rules)/Coord/24

March, 21, 2024

CIRCULAR

Subject: **SANCTIONING OF FAREWELL GRANT TO FEDERAL GOVERNMENT EMPLOYEES WHO HAVE BEEN INDUCTED FROM THE PROVINCIAL GOVERNMENT.**

Instances have been received from the Regional board for clarification on sanctioning the farewell grant, of the employees who joined Federal services from the provincial service. The matter was taken up in the 38rd BOT meeting held on 14.06.2011 vide Agenda Item No. 07(copy enclosed). The BOT decided as follows: -

a) ***The farewell grant may also be paid to provincial/local governments employees who retire as a Federal government employee subject to the condition that they shall not get any benefit from benevolent/group insurance schemes of their previous governments.***

b) ***The farewell grant may be granted in all cases previously not entertained, in pursuance of (a)above.***

c) ***The FEB&GIF to make arrangement with the provincial benevolent schemes to adjust/obtain contribution of benevolent & group insurance funds of employees who are inducted in the Federal Government or vice versa.***

2. In view of the above, Regional Boards process the cases accordingly and Contribution Branch make arrangements with respect to (C) above.

(Zia ur Rehman)
Director (Coord)

Distribution:

i) Director (F&A)
ii) Director, Regional Board Islamabad/Lahore
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iv) Assistant Director (IT) for information and uploading on the website.

GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
ESTABLISHMENT DIVISION
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Subject:- **MINUTES OF 83RD MEETING OF THE BOARD OF TRUSTEES, FEDERAL EMPLOYEES BENEVOLENT & GROUP INSURANCE FUND, ISLAMABAD.**

Reference Federal Employees Benevolent & Group Insurance Funds U.O.No.3-3(INV)/2010-11 dated 23.06.2011 on the subject noted above.

2. Secretary, Establishment Division has approved/signed minutes of the 83rd Meeting of the Board of Trustees, held on 14th June, 2011 in the capacity of Chairman, Board of Trustees.

3. Original minutes of the meeting are forwarded for taking further necessary action.

Encls:- **As above**:

(Mrs. Kishwar Sultana)
Section Officer (Admn-III)

Managing Director, FEB & GIF, Islamabad.
Establishment Division's U.O.No. 5/21/2011-Admn-III-dated 05.07.2011

DIR (Inv)

5/7/2011

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FEB & GIF VIEW				IC FORMULA		
Fund	Principal purchase value (Investment)	Redeemed value	Capital loss on principal investment if redeem (2-3)	Dividend received	Net purchase value=Principal purchase value minus dividend (2-5)	Net gain as per formula at column 6 (3-6)
1	2	3	4	5	6	7
PSM	166.00	108.274	57.726	87.654	78.346	29.928
UTP	101.02	67.703	33.317	34.053	66.967	0.736
UTP-ISF	55.00	33.806	21.194	17.626	37.374	-3.568
NIT	100.00	92.534	7.466	19.058	80.942	11.592
Total	422.02	302.317	119.703	158.391	263.629	38.688

3.6.1.4 However, Mutual funds worth Rs. 252.04 million have not been redeemed. The Managing Director explained that neither there was any opportunity to re-invest the funds at higher rates nor there was any liquidity crunch in the FEB & GIF. The Financial Advisor agreed with the Managing Director and said that these should have not been redeemed. The Chairman directed that the mutual funds have no maturity; hence these may be kept till market prices match the purchase value.

Decision

3.6.1.5 The Board after discussions held that neither there is alternative investment avenue to place funds at higher interest rate nor there is immediate need of funds; hence the remaining mutual funds may not be redeemed. These may be redeemed when the market prices match the purchase price.

3.7 AGENDA ITEM 7— Sanction of Farewell grant to those provincial government employees who have been inducted in the Federal government later on.

3.7.1 It was submitted that a farewell grant equal to one months' pay is given in terms of rule 24 of the FEB & GIF Rules, 1972 to an employee if he proceeds on retiring pension after twenty five years continuous service. If this provision of the rules is read with the definition of employee specified in Section 2(4)(a), twenty five year service in Federal government is required. FEB & GIF has been denying cases of employees who were born in provincial/local governments but later on inducted in Federal government service where they have less than twenty five years' service. The matter was referred to the Law & Justice Division which has given following two different advices:

3.7.1.1 In a case of Mr. Amirul Haq, Ex-Joint Secretary, Establishment Division, where the officer had federal service of 12 years held that the service of 13 years rendered by the officer in Punjab government is required to be counted to ascertain the length of service under section 10 of the Civil Servants Act, 1973. As he has completed the period of 25 years continuous Government service then he become entitled for the payment of farewell grant under section 24 of the

Advice No. 1

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Federal Employees Benevolent and Group Insurance Fund Rules, 1972. The officer is also covered under the definition of employee as given in sub-section 2(4) of FEB & GIF Act No. II of 1969.

Advice No. 2

3.7.1.2 In a similar case of Mr. Faqir Hussain, Ex-Registrar of Supreme Court of Pakistan, Law & Justice Division held that "The Law on the subject is clear and it needs no comments from Law & Justice Division". The FEB & GIF interpreted it as "claims of such employees not admissible in law", hence started to disallow them.

3.7.1.3 The AGPR pointed out that the words "**who holds a civil post in connection with affairs of the federation**" in the definition of employees provides an edge to cover the employees of provincial service if they have held civil post in connection with affairs of the federation. He, therefore, opined that all who retire as Federal government employee may be allowed this grant. Dr. Riaz Mehmood, Senior Joint Secretary, Law and Justice Division suggested that there should be no limit of service condition. The Financial Advisor (Estab.) opined that minimum ten years' service at which an employee becomes eligible for pension should be the basis for the said grant. The Managing Director pointed out that in case of Federal and provincial postings there is an arrangement of charging the pension to respective governments if an employee has severed under different governments. The FEB & GIF should also make such arrangement with the Provincial Benevolent Fund schemes. The AGPR said that the FEB & GIF should make such arrangement, however, the benefit to such employees retiring from Federal government may not be denied. The Chairman directed that it must be ensured that the inducted employees may not get the benefit from the benevolent fund schemes of their previous governments.

3.7.1.4 The Financial Advisor enquired whether this grant would also be admissible to employees who retire on medical grounds having service of less than twenty five years. The Managing Director informed that such employees are not entitled to farewell grant; however, they have been allowed monthly benevolent grant for life and one time lump sum grant.

Decision

3.7.1.5 ***The Board after detail discussions decided that:***

a) The farewell grant may also be paid to provincial/local governments employees who retire as a Federal government employee subject to the condition that they shall not get any benefit from benevolent/group insurance schemes of their previous governments.

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b) The Farewell grant may be granted in all cases previously not entertained, in pursuance of (a) above.

c) The FEB & GIF to make arrangement with the Provincial benevolent schemes to adjust/obtain contribution of benevolent & Group Insurance funds of employees who are inducted in the Federal government or vice versa.

3.8 AGENDA ITEM 8— Operation of Secretariat Petrol pump

3.8.1 The Board was apprised that Secretariat petrol pump near 'M' block, is being operated by the PSO on behalf of the FEB & GIF at a profit ratio of 20:80. The lease agreement has since been expiring on 30th June, 2011, therefore it was suggested that existing arrangements may be extended with the PSO on the same terms and conditions.

3.8.1.1 The Board was further informed that the pump was going into loss because the Cabinet Division has allowed the government vehicles to obtain their POL requirement on any out let of the PSO. In addition the outlet is in the red zone. The sale can be increased if the Cabinet Division at least restricts those vehicles whose offices are located in the Pak. Secretariat blocks/red zone to meet their POL requirements from the FEB & GIF petrol pump. In this context, the Cabinet Secretary has already been requested for issuance of orders.

3.8.1.2 The AGPR informed that the he had spoken to the Director, IB to divert their vehicles to the pump. The Managing Director informed that sale has been increased in recent days after the discussions of the AGPR with the IB authorities.

3.8.1.3 The Chairman directed that the Director General IB and the Chairman, PAEC may be approached for diversion of their vehicles on the petrol pump and a draft d.o. letter may be submitted to him for approval.

Decision

3.8.1.4 a) The Board approved extension in the existing arrangement with the PSO.

b) The Board also directed to approach the IB and the PAEC demi-officially from the Secretary Establishment Division/Chairman BOT to purchase their POL requirements from this outlet.