



042-99212997

No. FD(DG)1-Instructions-Act-13/2016  
**GOVERNMENT OF THE PUNJAB**  
**FINANCE DEPARTMENT**

Dated Lahore, the 25<sup>th</sup> May, 2017.

To

- i) The Secretary, LG&CD Department.
- ii) All Mayors of Metropolitan / Municipal Corporations in Punjab.
- iii) All Chairmen of District Councils and Municipal Committees in Punjab.
- iv) All Chairmen / Administrators, District Education Authorities in Punjab.
- v) All Chairmen / Administrators, District Health Authorities in Punjab.

Subject:- **MATTERS RELATING TO PENSION OF RETIRED / RETIRING MC / ZILA COUNCIL EMPLOYEES OF EDUCATION AND HEALTH SECTOR AND DEFUNCT CO UNITS / UNION COUNCILS HAVING URBAN CHARACTERISTICS ESTABLISHED UNDER PLGA, 2013**

I am directed to refer to the subject cited above and to inform you that the Local Governments in terms of Section 1(3) of PLGA, 2013 have been established in Punjab w.e.f. 01.01.2017 and in terms of Section 3 of the Act, ibid, succeeded the rights, assets and liabilities of the respective erstwhile City / District Governments, Tehsil / Town Municipal Administrations and Union Administrations.

2. Accordingly, the employees of education and health sectors of local councils working prior to PLGO, 2001, who were adjusted in the erstwhile District Governments, have been adjusted under the District Education Authorities, District Health Authorities, Metropolitan Corporation, District Councils, etc., respectively.

3. Meanwhile, the serving / retired employees adjusted in the District Education Authorities & District Health Authorities and local council employees of the defunct CO Units / Union Administrations having urban characteristics of the erstwhile District Governments or Tehsil Municipal Administrations, as the case may be, adjusted in terms of the provisions of section 3 of the PLGA, 2013 shifted to the successor District Councils vide this department's Notification No.SOR(LG)39 -7/2015 dated 26.08.2016. The employees under discussion have been raising queries regarding their payment of pension.

4. I am further directed to state that in order to resolve the issue of the payment of pension of the retired / retiring employees indicated in above para, a meeting in the Committee Room of the LG&CD, under the chairmanship of Special Secretary LG&CD Department, was held on 26.04.2017. The meeting inter alia was attended by the representatives of Secretary Finance Department, Secretary Primary & Secondary Healthcare Department, Secretary School Education Department and Provincial Director Local Fund Audit. The following decisions were taken in the meeting;

- a) The services of the Civil Servants adjusted / working with the District Authorities shall be considered as service to the Government for all purposes. The payment of pension and other allied benefit, if any, to such

employees shall continue to be the responsibility of the Government in the existing manner.

- b) The administrative control and all service matters of serving Municipal corporations / Municipal Committees / Zila Council employees, adjusted in the District Authorities shall be entrusted to the respective District Authority.
- c) The liability of pension of the retired and retiring employees of Health and Education Sectors of erstwhile local governments shall be borne by the respective District Authorities. Moreover, the "Pension Fund" maintained by the erstwhile District Government shall be apportioned proportionately amongst the District Education Authority, District Health Authority and respective District Council. In case of erstwhile City District Government Lahore, "Pension Fund" shall be apportioned between DEA, DHA and Metropolitan Corporation Lahore.
- d) The pension liability of the retired and retiring employees of defunct CO Units / UCs having urban characteristics, succeeded to the respective District Council shall be borne by the concerned District Council and the "Pension Fund" maintained by the respective TMA shall be apportioned proportionately amongst successor local governments.

5. In line with the fact that the "Pension Funds" established by the defunct District Governments, frozen earlier, have been de-frozen by the Finance Department vide its letter No.SO(DG)1-20/2016(P-I) dated 08.05.2017. In order to transfer balance funds available in the respective bank accounts of the "Pension Fund" of erstwhile District Governments, it has been decided that such bank accounts will be operated jointly by the respective Administrator / Deputy Commissioner of the Authority and the Additional Deputy Commissioner (F&P). The Deputy Commissioner shall issue cheque(s) in favour of the respective successor "District Education Authority Pension Fund" and "District Health Authority Pension Fund", respectively which shall be established and maintained as prescribed in rule 3(2) of the Punjab District Authorities (Accounts) Rules 2017 and the pension, including arrears, if any, shall be disbursed from new bank account "District Education Authority Pension Fund" and "District Health Authority Pension Fund", respectively, to the pensioners in terms of rule 4(1)(d) of the Punjab District Authorities (Accounts) Rules, 2017. However, if the cash balance being transferred to the "District Education Authority Pension Fund" or "District Health Authority Pension Fund", accounts becomes insufficient to discharge pending liabilities of the pension, the Administrator / Chief Executive Officer shall transfer the funds from the budget estimates of the respective Account-V or Account-VI as the case may be, to the "District Education Authority Pension Fund" or "District Health Authority Pension Fund" for onward payment to the pensioners. In this regard the respective Administrator / Chief Executive Officer of District Authority shall make arrangements to take over the record of the said pensioners.

5. The concerned District Authority shall deposit the monthly pension contribution @ 40% of the pay of such serving employees w.e.f. 01.01.2017 onwards, to the "District Education Authority Pension Fund" or "District Health Authority Pension Fund", as the case may be, in prescribed manner.

  
(RAHILA IQBAL)  
SECTION OFFICER (PFC)

**Number & Date Even**

A copy, with reference to the minutes of the meeting dated 26.04.2017, is forwarded for information and necessary action:-

- i) The Secretary to the Government of the Punjab School Education Department.
- ii) The Secretary to the Government of the Punjab Primary & Secondary Healthcare Department.
- iii) The Secretary to the Chief Minister Punjab.
- iv) The Additional Secretary (Staff) to Chief Secretary, Punjab.

  
(RAHILA IQBAL)  
SECTION OFFICER (PFC)

**Number & Date Even**

A copy is forwarded for information and necessary action to:-

- i) The Provincial Director Local Fund Audit, Lahore.
- ii) The Chief Inspector of Treasuries & Accounts, Lahore.
- iii) All Divisional Commissioners in Punjab.
- iv) All Deputy Commissioner in Punjab.
- v) The Director General (I&M) LG&CD Lahore.
- vi) All Chief Officers of Metropolitan / Municipal Corporations, District Councils and Committees in Punjab
- vii) All District Accounts Officers in Punjab.
- viii) Team Lead, TAMO-DFID, 27/28 Apartments, 4-A Syed Maratib Ali Road, Gulberg, Lahore.
- ix) The Private Secretary to the Minister for Finance.
- x) The Private Secretary to the Minister for Local Government.
- xi) The Private Secretary to the Secretary LG&CD Department.
- xii) All Additional Secretaries in LG&CD department.

  
(RAHILA IQBAL)  
SECTION OFFICER (PFC)