1. Employees’ Old-Age Benefits Scheme

1.1. Introduction

This scheme is operated under the Employees’ Old-Age Benefits Act, 1976 and covers employees working in industrial, commercial and other organizations. The Employees Old-Age benefits institution (EOBI) facilitates the provision of this benefit by performing the following functions:-

- Identification & Registration of Establishments and Industries.
- Identification & Registration of Insured persons
- Collection of Contributions
- EOB Fund Management
- Provision of Benefits as per Laws

1.2. Benefits by Employees’ Old-Age Benefits Institution

a) **Old Age Pension**

   It is monthly pension from EOBI calculated through standard formula defined by Law, subject to minimum monthly limit of Rs. 3600/- (The limit is revised by Government from time to time). An employee becomes eligible on retirement, subject to other conditions. The following formula is used to calculate pension:-

   \[
   \text{Average monthly wages} \times \frac{\text{No. of years of Insurable Employment}}{50}
   \]

b) **Invalidity Pension**

   If an employee sustains invalidity/ disability, he can claim this pension subject to other conditions.

c) **Survivor’s Pension**

   In case of death of an employee his spouse, children (or parents under specified circumstances) can claim survivor’s pension subject to specified condition.

d) **Old Age Grant**

   If an employee registered with EOBI is not eligible for ”Old Age pension” he can claim Old Age Grant, subject to fulfillment of certain conditions.

1.3. Employer Responsibility

1. Employer is bound to pay 5% of minimum time scale salary declared by government for each employee either permanent or contractual.
2. Responsible to deduct 1% contribution of minimum time scale salary from employees salaries and deposit in timely manner.
3. To facilitate EOBI and employees for issuance of EOBI Card.
4. Maintain the contribution statements, monthly and annually and provide the detail to EOBI department.
5. Responsible to maintain the record and show to EOBI Official on demand.
1.4. Employee Responsibility

1. Employee is bound to pay 1% of minimum time scale salary to EOBI as his own share of contribution.
2. To retain the EOBI Card in safe custody
3. File the EOBI Claim when applicable

For more information visit: www.eobi.gov.pk