



1. Loan against Provident Fund Policy

The members of LUMS Employees Contributory Provident Fund (LECPF) are informed that several types of withdrawals can be made by the subscribers from the accumulated balance to their credit by writing an application to the Trustees, LECPF along with necessary documents. Since the legal entity of LECPF is of a registered trust under Income Tax rules, 2002, therefore rule # 103 to 106 are applicable. All applications of withdrawals are subject to approval by the Trustees of LECPF and availability of liquid funds. The Trustees can allow the withdrawals in the following circumstances subject to certain limitations: -

Sr. #	Type of Withdrawal (Rule 103)	Limits on Withdrawals (Rule 104)	Second Withdrawal (Rule 105)	Repayments (Rule 106)
1). Medical Expenses:				
	Illness of a subscriber or a family member	6 months basic salary of the Subscriber or accumulated balance whichever is less	No	12 - 48 equal monthly Installments
	To transfer the balance or part of fund to an approved Pension Fund	Total balance	Yes	Need not to be repaid
2). Purchase of a Motorcycle / Scooter:				
	Copy of documents to be deposited with the Trustees	Same as (1)	No	Same as (1)
3). Overseas Passage:				
	By reason of health or education of a subscriber or a family member	Same as (1)	Yes, provided the sum drawn before is repaid	Same as (1)
4). Marriages, Funerals or Ceremonies:				
	To pay expenses by the subscriber for the above	6 months basic salary or accumulated balance whichever is lower	Same as (3)	Same as (1)
5). Hajj:				
	To pay expenses in connection with the performance of Hajj by the subscriber	Same as (1) subject to a maximum of Rs. 25,000/-	Same as (3)	Same as (1)
6). Purchase / Build House or Site:				
	Title documents to be deposited with the trustees	36 months basic salary of the subscriber or the total of the accumulated balance to his credit whichever is less	Same as (3)	Amount withdrawn need not be repaid except in case of sale or transfer of property
7). Repairs, Renovations or Extension of a Residential Building of the Subscriber:				
		Same as (6)	Same as (3)	Same as (1)
8). Premium of Life Insurance				
	For the subscriber or spouse provided the policy is assigned to the trustees and receipts are deposited with the Trustees	18 months basic salary of the subscriber or the total of the accumulated balance to his credit, whichever is less: provided that this restriction shall apply to each withdrawal and not to the total withdrawal	Allowed without repayments of the earlier withdrawals within overall limit of withdrawal	Amount withdrawn need not be repaid except in case of cancellation of the policy



Sr. #	Type of Withdrawal (Rule 103)	Limits on Withdrawals (Rule 104)	Second Withdrawal (Rule 105)	Repayments (Rule 106)
9). Purchase of Shares:				
	To purchase shares of a Public Limited Company for investment	6 months basic salary or Rs. 10,000/- or the total accumulated balance whichever is less	Same as (3)	Same as (1)
10). Purchase of a House by the Subscriber or Spouse or Unmarried Children:				
	This clause is applicable to subscribers who have attained the age of 50 years on the date of withdrawal. The subscriber will sign an agreement with the Trustees to expend full amount and shall return the full amount to the fund in case of sale together with amount of mark-up	24 months basic salary or 80% of the accumulated balance whichever is less	Same as (3)	Same as (6)
11). Purchase of Agricultural Land from Government:				
	Conditions of eligibility same as of (10)	Same as (10)	Same as (3)	Amount need not to be repaid
12). Repay Loan from an Financial Institution:				
	Conditions of eligibility same as (10)	Same as (10)	Same as (3)	Amount need not to be repaid
13). Without Assigning Any Reason:				
	Subscribers who have attained the age of 50	60% of the accumulated balance to the credit of the subscriber	Allowed	Amount need not to be repaid
14). Proceeding on Leave Preparatory to retirement:				
	At the discretion of Trustees, the withdrawal shall be allowed provided that where subscriber rejoins the employment, the amount withdrawn together with mark-up shall be re-payable in lump sum	90% of the accumulated balance to the credit of the subscriber	NA	Amount withdrawn need not to be repaid if not rejoined

Process of applying for loan :

1. Employee writes an application to Trustees¹ LECPF and forward it to Finance office
2. Finance office discusses the case with the Trustees and take a decision
3. Finance office informs the employee about the decision taken and processes the payment

¹ Currently the trustees are Syed Zahoor Hassan, Syed Mubashir Ali, Mr. Shahid Masud, Ms Iffat Chaudhry, Ms Aisha Azhar and Mr. Mushtaq A Khan
LUMS
Human Resource Department



1.1. General Information

1.1.1. Definitions

1. "Accumulated balance" means the total of the accumulations of exempted contributions and exempted interest contained in the balance to the credit of the subscriber at the time of withdrawals;
2. "Family" means the spouse, legitimate children, step children, parents, sisters and brothers who reside with him and are wholly dependent on him; and
3. "Salary" means the salary as defined in clause (b) of rule 14 of Part I of the Sixth Schedule to the Ordinance to which the subscriber is entitled at the time when the withdrawal is granted. It is essentially the basic salary.

1.1.2 Second Withdrawals

1. A subscriber may be permitted 2nd withdrawal in all cases except medical purposes provided that the subscriber repays the outstanding loan.

1.1.3 Repayment

1. Loan to be repaid in maximum 48 equal monthly installments which will be deducted from the salary of subscriber.