

# The Punjab Panchayat Samitis and Zila Parishads Provident Fund Rules, 1965

## 1. Short title and commencement.

(1) These rules may be called the Punjab Panchayat Samitis and Zila Parishads Provident Fund Rules, 1965

(2) They shall come into force at once

## 2. Definitions

In these rules unless the context otherwise requires:

(a) 'Act' means the "Punjab Panchayat Samitis and Zila Parishads Act, 1961";

(b) 'Contribution' means any amount credited in a Provident Fund by an authority administering the fund by way of addition to a subscription made by the subscriber;

(c) 'Children' means legitimate children and includes an adopted child if under the personal law of the subscriber adoption is legally recognized as conferring the status of natural child:

Provided that when a person has given his child in adoption to another person and if, under the personal law of the adopter, adoption is legally recognized as conferring the status of a natural child, such a child should for the purposes of these rules, be considered as excluded from the family of a natural father;

(d) 'Disbursing Officer' means Executive Officer of a Panchayat Samiti or Secretary of a Zila Parishad, as the case may be;

(e) 'Executive Officer' means the Executive Officer of a Panchayat Samiti;

(f) 'Family' means:

(i) in the case of a male subscriber, the wife or wives and children of a subscriber and the widow or widows and children or a deceased son of the subscriber; provided that if the subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance, she shall henceforth be deemed to be no longer a member of the subscriber's family unless the subscriber subsequently indicates in writing to the Executive Officer or the Secretary, as the case may be, that she shall continue to be so regarded;

(ii) in case of a woman subscriber, the husband and children of a subscriber and the widow or widows and children of a deceased son of a subscriber; provided that if a subscriber informs in writing to the Executive Officer or the Secretary, as the case may be, that she wishes to exclude her 'husband' from her family, the husband shall henceforth be deemed to be no longer a member of the subscriber's family unless the subscriber subsequently indicates in writing that the husband shall be included;

(g) 'Form' means form appended to these rules;

(h) 'Government' means the Government of the State Punjab in the Development and Panchayat Department;

(i) 'Interest' means interest accrued on the balance at credit of a subscriber to a provident fund calculated as if such balance were a deposit in the Savings Bank;

(j) 'Leave' means leave under the Punjab Panchayat Samitis and Zila Parishads leave Rules, 1964 ;

(k) 'Secretary' means the Secretary of Zila Parishad;

(l) 'Salary' means monthly pay and includes personal pay, special pay overseas pay, technical pay and dearness pay but it does not include traveling allowance, conveyance allowance or any other allowance;

*Explanation.*- 'Dearness Pay' in relation to the servants of Panchayat Samitis or Zila Parishads shall mean an amount bearing to the dearness allowance, payable to them from time to time, the same proportion as the dearness pay bears to the dearness allowance payable to the employees of the Punjab Government, from time to time.

(m) 'Savings Bank' means the Post Office Savings Bank or the Savings Bank of any branch of the State Bank of India;

(n) 'Servant' means every employee who holds substantive or temporary post under the service of a Panchayat Samiti or a Zila Parishad but does not include a part-time employee and a Government servant working under the administrative control of a Panchayat Samiti or Zila Parishad;

*Explanation C.*-An employee of a Panchayat Samiti or a Zila Parishad who has been appointed on contract basis or on purely temporary basis as stopgap arrangement shall not be deemed to be a servant within the meaning of this clause.

(o) 'Subscriber' means a servant who is required or permitted to subscribe to a provident Fund;

(p) 'Year' means a financial year.

### **3. Constitution of the Provident Fund.**- [Sections 33, 100 and 115]

There shall be constituted a fund by every Panchayat Samiti or Zila Parishad to be called a Provident Fund.

### **4 Servants to whom these rules shall apply.**- [Sections 33, 100 and 115].

(1) These rules shall apply to servants, who

(a) were absorbed by the Panchayat Samiti or Zila Parishad on the abolition of district board under section 118 of the Act and were entitled to the benefit of Provident Fund under the Provident Fund rules if the district board concerned, on the date of their absorption by the Panchayat Samiti or Zila Parishads, as the case may be :

Provided that the Provident fund of such servants for the period commencing from the date of their absorption by the Panchayat Samiti or the Zila Parishad and ending on the date of commencement of these rules shall be regulated by the Provident Fund rules applicable to such servants immediately before the commencement of these rules

Provided further. that the rate of contribution of the Panchayat Samiti or Zila Parishad. as the case may be, shall not exceed eight per cent of the salary of the subscriber; .

(b) were absorbed by the Panchayat Samiti or Zila Parishad on the abolition of a district board under section 118 of the Act, they were not entitled to the benefits of Provident Fund under but Provident Fund rules of the district board concerned;

(c) were appointed by the Panchayat Samitis or Zila Parishad, as the case may be, before the commencement of these rules;

(d) may be appointed by the Panchayat Samiti or Zila Parishad, as the case may be after the commencement of these rules;

Provided that the servants referred to in clauses (b), (c), (d) shall be entitled to subscribe to the Fund after the completion of two years continuous service or from the date of commencement of these rules whichever is later.

(2) Every servant to whom these rules apply shall be a subscriber to the Provident Fund.

(3) A servant admitted to the benefit of the Fund, who was previously a subscriber to any other contributory or non-contributory Provident Fund of any local body, the amount of his subscription' and contributions of the local body, in the other Contributory Provident Fund, as the case may be, together

with interest thereon shall be transferred to his credit in the Fund.

#### **5. Nominations.-[Sections 33, 115].-**

(1) Subscriber shall, as soon as may be after joining the Provident Fund, be called upon by Executive Officer or Secretary, as the case may be, to send a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Provident Fund, in the event of his death before that amount has become payable, or having become payable, has not been paid:

Provided that, if at the time of making the nomination the subscriber has a ["family, the nomination shall not be in favor of any person or persons other than the member of his family.

(2) If a subscriber nominates more than one person under sub-rule (1), he shall specify in the nomination the amount of the share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Provident Fund at any time.

(3) Every nomination shall be in for IL PFI, PFIA, PFIB or PFIC, which is appropriate in the circumstances.

(4) A subscriber may at any time cancel a nomination by sending a notice in writing to the Executive Officer or Secretary, as the case may be. In that event he may also send a fresh nomination.

(5) A subscriber may provide in a nomination,

(a) in respect of any specified nominee that in the event of his predeceasing the subscriber, the right conferred upon the nominee shall pass to such other person as may be specified in the nomination; and

(b) that the nomination shall become invalid in the event of his subsequently acquiring a family.

(6) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination under clause (a) of sub-rule (5) *or* on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of clause (b) of that sub-rule, a notice in writing canceling the nomination together with a nomination made in accordance with the provision of this rule shall be sent by the subscriber to the Executive Officer or Secretary, as the case may be.

(7) Every nomination made by \_ subscriber shall to the extent that it is valid take effect on the date on which it is received by the Executive Officer or Secretary, as the case may be

10. Ledger and Provident Fund Accounts.- (*Sections 33, 100 and 115*).-(I) The Panchayat Samiti or Zila Parishad, as case may be, shall maintain Provident Fund Ledger in form P. F. 2 of which separate 'portion shall be assigned to each subscriber, and there shall be entered therein each, month

(i) the amount of each subscription ;

(ii) the amount of Panchayat Samiti or Zila Parishad's, contributions, and

(iii) the monthly balance on which interest is to be calculated.

(2) the Provident Fund' Liabilities Account shall be maintained in Form P.F 3.

#### **6. Rate of subscription.-(*Sections 33, 100 and 115*).-**

The amount of subscription shall be fixed by the subscriber himself, subject to the following conditions:

(a) it shall be the nearest whole rupee (fifty paise counting the next higher rupee).

(b) it may be any sum, so expressed not less than eight per cent of his salary and not more than his total salary

#### **7. Realisation of subscriptions -(*Sections 33, 100 and 115*).-**

(1) Every subscription to a Provident Fund shall be recovered by means of a deduction of the amount of such subscription from each salary bill of the subscriber.

(2) A subscriber proceeding on leave other than casual leave may, if he so wishes, not to subscribe to the provident Fund during the period of leave; in that case he shall inform, in writing, to Executive officer or Secretary, as the case may be, before he proceeds on leave."

**8. Panchayat Samiti or Zila Parishad Contribution to the Fund.**-(Sections 33, 100 and 115.)-

The Panchayat Samiti or Zila Parishad, as the case may be, shall contribute to the Provident Fund of each subscriber at [eight] per cent of his salary subject to the following conditions :

(a) the amount of contribution payable shall be rounded to the nearest whole rupee (fifty paise counting as next higher rupee) ;

(b) Should a subscriber elect to subscribe during leave, his leave salary for the purpose of this rule, be deemed to be salary drawn on duty;

(c) should a subscriber elect not to subscribe during leave, no contribution shall be paid by the Panchayat Samiti or Zila Parishad, as the case may be.

**9. Interest** --(Section 33.103 and 1/5.)-

(1) The rate of interest would be such as would be paid by the Saving Bank on the saving account.

(2) The amount of interest accrued on the balance at the credit of subscriber shall be calculated at the end of the year or when the account is closed to the nearest paise, on the lowest balance, excluding fractions of a rupee, at the credit of the subscriber between the close of the fourth day and the last day of each month.

**10. Ledger and Provident Fund Accounts.**-(Sections 33, 100 and 115.)-

(I) The Panchayat Samiti or Zila Parishad, as case may be, shall maintain Provident Fund Ledger in form P. F. 2 of which separate 'portion shall be assigned to each subscriber, and there shall be entered therein each, month

(i) the amount of each subscription ;

(ii) the amount of Panchayat Samiti or Zila Parishad's, contributions, and

(iii) the monthly balance on which interest is to be calculated.

(2) the Provident Fund' Liabilities Account shall be maintained in Form P.F 3.

**11. Intimation of the balance to the subscriber annually.**-(Sections 33, 100 and 115.)-

At the end of each year, the Panchayat Samiti or Zila Parishad" as the case may be, shall furnish to each subscriber with a statement in Form D F 4, showing the balance at the credit of his account at the beginning of the year, the amounts added thereto by way of subscriptions and contributions and the interest accrued during the year and the balance at credit of his account at the end of (he year

**12. General Rules regarding withdrawals.** - (Sections 33, 100 and 115.)

(I) No sum shall be withdrawn from the Provident Fund Account with The Savings Bank, except

(a) under the provisions of sub-rule (I) of rule D, for the purpose of investment or placement; or

(b) under the provisions of rule 14 and 15 for the purpose of making an advance to a subscriber; or  
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(c) under the provisions of rule 16 when a subscriber's account is to be closed for payment to the subscriber or his/her nominee(s) or his heirs, as the case may be.

(2) Whenever a sum is withdrawn from the Provident Fund Account with the Savings Bank, such sum shall forthwith be credited to fund of the Panchayat Samiti or Zila Parishad, as the case may be, under the

head "Advances and Deposits" and payment shall be made there from for the purpose for which the sum was withdrawn by means of a separate cheque on a bill in Form P.F. 5 and such payment shall be debited to the same head on expenditure side:

Provided that if any portion of a sum withdrawn is to, remain credited to the fund of the Panchayat Samiti or Zila Parishad, as the case may be, under the provision of the Act or rules made there-under, such portion of such sum shall be credited by book transfer under the head "Other Receipts" by contra debit to head "Advances and Deposits

**13. Investment of Provident Fund moneys. -[Sections 33 100 and 115].-**

(I) Subject to such restrictions as the Government may from time to time lay or as are applicable to the investment or placement of funds of Panchayat Samiti or Zila Parishad under the Act or rules made there-under, a Panchayat Samiti or a Zila Parishad as the case may be, may with the previous permission of the Deputy Commissioner withdraw any sum from the Provident Fund Account with the Savings Bank for investment or placement.

(2) The profit or loss accruing from such investments or placement shall be that of Panchayat Samiti or Zila Parishad, as the case may, and shall be credited or debited to the Panchayat Samiti or Zila Parishads Fund, as the case may be. On realization of the investment or placement, the amount originally withdrawn from the Provident Fund Account plus interest that would have accrued, had such sum been withdrawn from the Saving Bank, shall be deposited into the Fund.

(3) The account of investments and interest shall be maintained in form P.F. 6 and P.F. 7 respectively.

**14. Payment towards Insurance Policies out of the Fund. -[ Sectio'ls 33, 100 and 115].-**

(1) A subscriber, who, before the 20th October, 1963, has been financing in whole or in part, payments towards his Life Insurance Policies, by making withdrawals from the Provident Fund, shall be permitted to draw an yearly advance to pay the premium of his Life Insurance Policies: provided such subscriber shall not be permitted to withdraw from the Provident Fund for making such payment in respect of any new policy. The subscriber shall apply every year in writing to the Executive Officer or Secretary, as the case may be, who shall before according the permission certify that the balance of subscription at the credit of the subscriber is adequate for paying the advance.

(2) The advances under sub-rule (I) shall be made only after the policies which the subscriber wishes to finance are 'pledged in the name of the Chairman, Panchayat Samiti or the Chairman, Zila Parishad, as the case may be and the advance shall be made by rounding of the premium to the nearest rupee at or below the actual premium.

(3) The Executive Officer or Secretary, as the case may be, shall satisfy himself before accepting the policy which is to be financed out of the 'Provident Fund by a reference to Life Insurance Corporation, if necessary that the policy carries no prior assignment.

(4) After the policy has been accepted by the Executive Officer, or the Secretary, as the case may be the subscriber cannot change the terms of the policy nor convert it into another policy without the prior consent of the Chairman of the Panchayat Samiti or the Chairman, Zila Parishad, as the case may be.

(5) On maturity of the policy financed out of the Provident Fund, no payment shall be made to the subscriber till the advances drawn by him together with interest accrued thereon are credited to his Provident Fund.

(6) The account of advances paid to the subscribers shall be kept in Form P.F. 8.

**15. Advances from the Provident Fund.-[Sections 33, 100 and 115].—**

(1) With the sanction of the Chairman, Panchayat Samiti or the Chairman, Zila Parishad, as the case may be, any subscriber may up-to the limit of the amount of subscription shown at his credit in the Provident Fund Ledger, be granted an advance, not exceeding six times the amount of his salary for any of the following purposes :

(a) to pay expenses in connection with the prolonged illness of the subscriber. or any person actually dependent on him;

b) to pay for the overseas passage only for reasons of health or education of the subscriber or any person actually dependent on him;

(c) to meet the cost of education of himself or any person actually dependent on him in the following cases:

(i) for education outside India, whether for any academic, technical, professional or vocational courses.

(ii) for medical, engineering and other technical or specialized course in India beyond the High School stage, provided the course of study is not less than three years;

(d) to pay obligatory expenses on a scale appropriate to the subscriber's status which by customary usage the subscriber has to incurring connection with marriage, funeral, or other ceremonies of persons actually dependent on his, provided that the condition of actual dependence shall not apply in the case of son, or daughter of subscriber. Advances may also be permitted for meeting expenditure in connection with the marriage of the subscriber himself;

(e) to meet the cost of legal proceedings instituted by the subscriber for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to have been done in the discharge of his official duty:

Provided that the advance under this sub-clause shall not be admissible to a subscriber who institutes legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against the Panchayat Samiti or the Zila Parishad, as the case may be, in respect of any condition of service or penalty imposed upon him;

(f) to meet the cost of his defense when he is prosecuted by the Panchayat Samiti or the Zila Parishad, as the case may be, in any court of law in respect of any alleged official misconduct on his part:

Provided that an advance under this rule shall not, except for special reasons to be recorded in writing by the sanctioning authority, be granted until at least twelve months after the final payment of all previous advances together with interest thereon, unless the amount already advanced does not exceed two-third of the amount admissible under sub-rule (1).

*No/e.-For the purpose of sub-rule (1), 'Salary' does not include 'dearness pay'.*

(2) The amount of an advance shall be repayable in not more than twenty-four equal installments, as may be fixed by the authority when sanctioning the advance, and such installments shall be recovered as if they were subscription in the manner provided in rule 7.

(3) The amount of an advance shall be recorded in column 5 of the Provident Fund Ledger and a note shall be made in column 8 about the number of installments by which the advance is recoverable and each month the amount of the advance paid shall be recorded in red ink in column 2 of the Ledger and in column 7 shall be entered the amount of the balance of the advance outstanding, and the amount of the interest lost on the monthly outstanding balances shall be recovered from the subscriber in the month following the month in which the 1<sup>st</sup> installment of the advance is recovered and at the end of the year shall be added in the interest calculated on the monthly balances shown in column 6.

(4) If under the provisions of rule 17 the whole or any portion of the contribution of the Panchayat Samiti or Zila Parishad, as the case may be, is to be withheld when a subscriber's account is closed and if, when such account is closed, any portion of advance made to such subscriber is still outstanding, the amount of the advance outstanding plus the amount of interest last calculated on the monthly outstanding balances of the advance shall be added to the amount shown at the credit of the account in column 6 of the provident Fund Ledger for the purpose of calculating the Panchayat Samiti or Zila Parishad share of the total at credit of the account