



**THE BALOCHISTAN CONTRIBUTORY PENSION
SCHEME RULES, 2025**

(AS MODIFIED UP TO 05TH OCTOBER, 2025)

**GOVERNMENT OF BALOCHISTAN
LAW & PARLIAMENTARY AFFAIRS DEPARTMENT
(CODIFICATION SECTION)
(BALOCHISTAN – QUETTA)**

**THE BALOCHISTAN CONTRIBUTORY PENSION
SCHEME RULES, 2025**

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**¹THE BALOCHISTAN CONTRIBUTORY PENSION
SCHEME RULES, 2025**

NOTIFICATION

[02th October 2025]

No. FD(R-II)VII-1/2025/16-135. In exercise of the powers conferred by section 25 of the Balochistan Civil Servants Act, 1974 (Balochistan Act IX of 1974), read with section 19 thereof, the Government of Balochistan is pleased to make the following rules, namely:

**THE BALOCHISTAN CONTRIBUTORY PENSION
SCHEME RULES, 2025**

Chapter-I Preliminary

1. Short title, application and commencement. — (1) These rules may be called the Balochistan Contributory Pension Scheme Rules, 2025.

(2) These rules shall apply to all the civil servants appointed against civil posts on or after the commencement of the Balochistan Civil Servants (Amendment) Act, 2025 (Balochistan Act No. IX of 2025) and shall apply on any other government employees under any authorities, bodies or other autonomous bodies which adopt this scheme at their will.

(3) These rules shall come into force at once.

2. Definitions. — (1) In these rules, unless there is anything repugnant in the subject or context, —

- (a) **“Accounts”** mean the Provincial Consolidated Fund Account and Public Account of the Province as described under Article 119 of the Constitution of the Islamic Republic of Pakistan, 1973;
- (b) **“Accounting Office”** means the Accountant General of Balochistan responsible for the accounting of the Province as a whole and the District Accounts Offices delegated such authorities at districts level;
- (c) **“Act”** means the Balochistan Civil Servants Act, 1974 (Balochistan Act IX of 1974);
- (d) **“Allocation policy”** means allocation of contributions, in various sub-funds of a pension fund, as required by

¹ These rules have been issued by the Finance Department, Government of Balochistan, vide its Notification No. FD(R-II)VII-1/2025/16-135, dated 02nd October 2025.

Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008;

- (e) **“Chief Minister”** means the Chief Minister of Balochistan;
- (f) **“Contributory Pension Fund”** means fund created under the Balochistan contributory pension scheme, either conventional pension fund or, as the case may be, the Shariah compliant fund, specified in these rules, in which both the employer and employee contribute, as per First Schedule, to the pension account, and such contributions are invested until retirement of the employee and the accumulated balance in the pension account, at the time of retirement, is withdrawn or invested further to generate monthly income during the post-retirement phase, subject to exceptions under these rules;
- (g) **“Conventional fund”** means a type of contributory pension fund, to be managed by the Pension Fund Manager, in a conventional manner, in accordance with the Voluntary Pension System Rules, 2005;
- (h) **“Employee”** for the purpose of these rules means a civil servant, recruited, absorbed, accepted or transferred from other government under the Act, after coming into force of the Balochistan Civil Servants (Amendment) Act, 2025 (Balochistan Act No. IX of 2025);

Provided that any person appointed under the Act before the commencement of Amendment Act, 2025 but regularized thereafter or any person already working on a civil post and inducted through proper channel on any other civil post after commencement of the said amendment shall have option either to continue under the defined pension scheme or to adopt the contributory pension scheme. In case any such employees adopt the contributory pension scheme, the amount so accumulated against his service shall under the existing scheme be transferred to the contributory pension.

Provided further that such accumulated amount shall be calculated as equal to one- third of the mean of basic pay or pays during the period so served.

- (i) **“Employer”** means the Government of Balochistan;
- (j) **“Employee’s contribution”** means the amount, computed by multiplying the employee’s pensionable pay with the employee’s contribution rate, as specified in the First Schedule;
- (k) **“Employer’s contribution”** means the amount, computed by multiplying the employee’s pensionable pay with the employer’s contribution rate, as specified in the First Schedule;
- (l) **“Finance Department”** means the Finance Department, Government of Balochistan;
- (m) **“Non-Banking Finance Companies and Notified Entities”** shall have the same meaning as assigned to them under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- (n) **“Overall contribution”** means the sum of employer’s contribution and employee’s contribution, respectively, as specified in the First Schedule;
- (o) **“Overall contribution rate”** is the rate of sum of employer’s contribution and employee’s contribution as specified in the First Schedule;
- (p) **“Pension account”** means a contributory pension fund account, opened and maintained by an employee with a Pension Fund Manager, in accordance with Voluntary Pension System Rules, 2005;
- (q) **“Pension Fund Manager”** means Pension Fund Manager, as defined in the Voluntary Pension System Rules, 2005, and has entered into an agreement with the employer to manage contributory pension fund for the employees under these rules, and the employer has not terminated or cancelled the agreement, as per law;
- (r) **“Pensionable pay”** means the sum of running basic pay and personal pay, applicable, and does not include any other pay, allowances or perquisites;

- (s) **“Prescribed”** means prescribed by Finance Department through regulations, guidelines, memorandums or circulars notified through publication in official gazette and hoisted on its website or the website of the Accountant General of Balochistan;
- (t) **“Schedule”** means the Schedule appended to the rules;
- (u) **“Shariah compliant fund”** means a type of contributory pension fund, governed by the requirements of Shariah law, in accordance with the Voluntary Pension System Rules, 2005;
- (v) **“Unit”** means the Balochistan Contributory Pension Fund Unit established by the Finance Department Government of Balochistan with such a structure and terms of reference as may be defined and notified by the Finance Department; *and*
- (w) **“Voluntary Pension System Rules, 2005”** mean the Voluntary Pension System Rules, 2005 notified by the Federal Government vide S.R.O. 975 (1)/2004 dated Islamabad, the 30th of November, 2004.

(2) Terms and expressions, used but not defined in these rules, shall have the same meanings as are respectively assigned to them under the Voluntary Pension System Rules, 2005 or any other relevant laws, rules or legal documents.

Chapter-II Framework

3. Governance of the Contributory Pension Fund. — (1) Save as otherwise provided in these rules, the contributory pension fund shall be governed by Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

(2) The contributory pension fund shall be managed only through Pension Fund Managers.

(3) The balance in pension account, including both the employer’s contribution and employee’s contribution, and profits thereon, shall be subject to these rules.

4. Role of the employer. — (1) The employee’s contribution shall be deducted, at source, by the accounting office concerned at the time of payment of monthly salary to the employee including from payments from any arrears of pay due to the employer.

(2) The employer's contribution shall be in addition to the salary otherwise payable to the employee.

(3) The employer shall not have any legal or constructive obligation to make an additional contribution or payment in respect of the contributory pension fund, beyond those mentioned in the First Schedule.

(4) The employer shall annually budget the employer's contributions in accordance with these rules under a separate head of account.

(5) The Accountant General shall transfer the total monthly contribution in the pension account, at the time of payment of salary to an employee, without any delay but not later than 5th of every month following the month of relevant payroll or any working day next following the 5th of each month, in case a public holiday falls on that day.

(6) The Accountant General shall forward monthly reports to the Finance Department and the State Bank of Pakistan, respectively, regarding the transfer of contributions, in accordance with the agreed upon reporting format and timelines.

(7) The Finance Department shall enter into agreement with the various Fund Managers on as much favourable terms as shall benefit the employees. The agreement among other matters shall also include a binding on the Fund Manager to facilitate the employees in opening and managing their accounts including processing for change or transfer of accounts, as the case may be.

(8) The accounting office hiring an employee on the payroll system shall ensure that the said employee also opens an account with the pension fund manager of his own choice detail of which shall be inserted in his payroll master data.

(9) In case where salary of an employee is disbursed by an entity owned or controlled by the Government other than the Accountant General or the District Accounts Office, as the case may be, such entity shall deduct the employee's contribution and deposit the same into the bank account designated by the Accountant General by the monthly date and in the manner as specified by the Accountant General till such time as the salary of such employee begins to be disbursed through the Accountant General or the District Accounts Office, as the case may be.

(10) The Accountant General shall provide information regarding the accumulated employee's contributions and employer's contributions to date on the employee's salary slip.

(11) The Accountant General shall compute and deduct income tax from the employee's salary including the employer's contribution, after adjustment of the rebate on the overall contribution, in accordance with the Income Tax Ordinance, 2001 (XLIX of 2001).

(12) The Accountant General shall not deduct and transfer the overall contribution for any employee whose pension account has not been opened. On opening of his pension account, any outstanding overall contributions for the period commencing from the date he becomes an employee till the date of opening of his pension account shall be deducted and transferred to his pension account in future months in addition to the regular overall contributions as per the First Schedule.

Provided that such additional overall contribution shall not be more than the regular overall contribution until all the outstanding overall contributions are accounted for.

Provided further that any such employee may opt to pay the total amount outstanding in lumpsum through submission of the amount in Account-I of the Government of Balochistan with Intimation to the Accountant General Office, which shall be responsible to update the personnel account and transfer the amount to the designated contributory pension account of the employee.

(13) The Finance Department shall enter into an agreement with each Pension Fund Manager who:

- (a) is authorized under the Voluntary Pension System Rules, 2005 to manage employer pension funds;
- (b) meets the asset manager rating criteria specified in the Voluntary Pension System Rules, 2005;
- (c) has systems that support electronic transfer of contributions; and
- (d) has applied to the Government to provide services for managing pension fund(s) for its employees in accordance with the rules and the Voluntary Pension System Rules, 2005.

(14) The Pension Fund Manager Agreement shall specify the standard terms and conditions including a mandatory insurance plan providing death and disability risk cover to the employees to be arranged by the Eligible Pension Fund Manager in accordance with the Pension Fund Manager Agreement.

(15) The Finance Department shall notify a list of Eligible Pension Fund Managers and publish it on its website and keep the same updated.

(16) The Finance Department may terminate the Pension Fund Manager Agreement with the Eligible Pension Fund Manager in accordance with the terms and conditions as specified in the Pension Fund Manager Agreement.

(17) The Finance Department shall ensure that each Eligible Pension Fund Manager establishes separate pension fund(s) for the Contributory Pension Scheme and each pension fund shall include sub-funds as specified by the Finance Department.

(18) The personnel number of each employee allotted through automated system shall also be the pension account number of the concerned employee.

(19) The Finance Department shall establish Contributory Pension Fund Unit which shall:

- (a) monitor the Contributory Pension Scheme;
- (b) establish and maintain an online portal to facilitate the smooth opening of pension accounts and the ongoing monitoring of the Contributory Pension Scheme, providing a user-friendly interface for employees to open their pension accounts and communicate with the Contributory Pension Fund Unit, and enabling real-time data sharing between the Unit, the Eligible Pension Fund Managers, and other relevant entities to ensure transparency efficiency, and effective management of the Balochistan Contributory Pension Scheme;
- (c) require and analyze periodic reports from the Eligible Pension Fund Managers including but not limited to information regarding:
 - (i) number of pension accounts;
 - (ii) number of pension account holders;
 - (iii) amount of contributions received;
 - (iv) performance of sub-funds of the pension funds being managed;
 - (v) pension account holders who have reached the retirement age and amount withdrawn by such pension account holder; and
 - (vi) number of employees who have invested in monthly income plans and annuities and

amount of monthly profit and annuity paid to such employees;

- (d) prepare and disseminate training materials for education of the employees regarding:
 - (i) the rules and Voluntary Pension System Rules, 2005;
 - (ii) selection from among the Eligible Pension Fund Managers;
 - (iii) opening of pension account;
 - (iv) setting up online access to pension account;
 - (v) choosing or revising allocation policy;
 - (vi) understanding account statements;
 - (vii) updating any changes in personal information; and
 - (viii) transferring pension account from one Eligible Pension Fund Manager to another, etc.;
- (e) provide separate updated lists to the Eligible Pension Fund Managers in respect of the employees;
 - (i) whose pension accounts are to be opened; or
 - (ii) who have left employment before attaining the retirement age; or
 - (iii) who have attained the retirement age; or
 - (iv) who have died before or after attaining the retirement age;
- (f) act as an intermediary between the employees and Eligible Pension Fund Managers for opening of pension accounts and performing necessary tasks in this respect, including obtaining the information required for opening of pension account from the employees according to the template jointly developed by the Eligible Pension Fund Managers, sharing the information with Eligible Pension Fund Managers, resolving any discrepancies or deficiencies and ensuring that the pension accounts are opened as soon as practicable;

- (g) ensure that only one designated pension account of each employee is recorded with the Accountant General;
- (h) facilitate the employees in resolution of any issue such as updating of personal information, using online services, understanding their account statements and notifying the pension account holder about the termination or cancellation of the Pension Fund Manager Agreement with an Eligible Pension Fund Manager by the employer, etc.;
- (i) coordinate with relevant stakeholders for resolving any issue that may arise in connection with the Defined Contribution Pension Scheme;
- (j) formulate standard operating procedures for performance of its functions; and
- (k) perform any other functions ancillary to the functions mentioned above.

5. Rights and obligations of the employee. — (1) An employee-

- (a) Immediately upon becoming an employee, open a pension account with the Eligible Pension Fund Manager of his choice, in coordination with the Pension Fund Unit;
- (b) provide the relevant information regarding his pension account, including his selection between a conventional fund or a Shariah compliant fund, to the Accountant General through the concerned Drawing and Disbursing Officer on such forms as specified by the Accountant General for this purpose;
- (c) make his contribution from his salary in accordance with the rules;
- (d) be entitled to his pension account balance from the date of qualifying for the Contributory Pension Scheme in accordance with the rules and subject to the conditions as specified in the Voluntary Pension System Rules, 2005;
- (e) determine the allocation policy for the contributions in his pension account among the sub-funds of the employer pension fund subject to the exposure limits as specified in the Second Schedule and shall

communicate the allocation policy and any changes therein to the Eligible Pension Fund Manager through the Pension Fund Unit;

Provided that an employee who does not indicate his allocation policy, his pension account shall be managed in accordance with the default allocation policy as specified in the Third Schedule;

- (f) have the option to transfer his pension account with a particular Eligible Pension Fund Manager to another Eligible Pension Fund Manager as per the Voluntary Pension System Rules, 2005; and
- (g) not withdraw any amount from his pension account before attaining the retirement age.

(2) Upon attaining the retirement age, the employee may withdraw in lump sum not more than twenty five percent (25%) of the accumulated balance in his pension account, and shall invest the remaining balance as per the Voluntary Pension System Rules, 2005, for a period of at least twenty years or till his death, whichever is earlier.

(3) Notwithstanding any other provision of the rules, upon leaving service before attaining retirement age, the employee may, by informing the Pension Fund Unit in writing, opt to no longer be subject to these rules and transfer his pension account from the employer pension fund to another employer pension fund or withdraw the accumulated balance in his pension account subject to the Voluntary Pension System Rules, 2005 and other applicable laws.

(4) In the event of pecuniary loss to the Provincial exchequer resulting from an employee's action, omission or negligence, such employee shall be personally liable to make good such loss in the manner as provided under the Balochistan Employees' Efficiency and Discipline Act, 2011 (Act No.VI of 2011) and such liability shall extend to losses discovered after the employee's retirement from service in accordance with the provisions of said Act.

(5) may opt to no longer be subject to these rules, if he leaves service prior to attaining the retirement age, by informing the Pension Office/Cell in writing, and withdraw, in lump sum, up to one hundred percent (100%) of the accumulated balance in his pension account.

6. Audit of the Contributory Pension Fund. — (1) The Auditor General of Pakistan under the provisions of Article 169 of the Constitution of the Islamic Republic of Pakistan, 1973 may conduct audit

of the pension contribution and pension fund constituted under these rules.

7. Power to conduct Internal and Special Audit. — (1) The Chief Internal Auditor under the Internal Audit Charter of the Government of Balochistan may conduct internal audit of the contributory pension fund.

(2) The Finance Department shall have power to carry a special audit by requesting the Auditor General of Pakistan or through independent chartered accountant(s) in the meaning of the Chartered Accountants Ordinance, 1961.

(3) The Audit report shall be in such form and manner as described by the Finance Department.

(4) The Finance Department may also conduct an actuary evaluation for the purpose of managing the contributory pension fund and suggestions for changes in employees' and employer's contribution or other allied matters.

8. Advisory Committee. — The Finance Department may constitute such an advisory committee consisting of relevant professionals as may be prescribed for the purpose of assisting it in carrying out the requirements of these rules and the management and maintenance of the Pension Fund.

9. Power to issue Guidelines. — The Finance Department shall have the power to issue necessary guidelines to the intermediaries, Pension Fund Manager, Pension Fund Unit and employees with respect to the Contributory Pension Scheme.

10. Forms to be Prescribed. — The Finance Department shall prescribe the forms for creation and maintenance of relevant data, reports, and summaries for the purpose of these rules.

11. Power to Make Interpretation. — The Finance Department shall have power to interpret any rules or provisions under these rules and the schedule annexed thereto.

12. Power to make changes in Schedules to these Rules. — The Finance Department, upon recommendation of the Advisory Committee, may forward suggestions for any changes in Schedule to these Rules to the Chief Minister for consideration and approval.

SECRETARY TO GOVERNMENT OF
BALOCHISTAN FINANCE
DEPARTMENT

FIRST SCHEDULE**Contribution Rates**

[see rules 2(j) and 2(k)]

Head	Monthly Contribution Rate (% of pensionable pay)	
	Compulsory	Optional
Employer's Contribution	12%	0%
Employee's Contribution	10%	As decided by the employee
Overall Contribution	22%	

SECOND SCHEDULE**Maximum Aggregate Exposure Limit**

[see rule 5(1)(e)]

Age of Employee	Maximum Aggregate Exposure Limit for High-Risk Sub-Funds (As % of Employee's Pension Account Balance)		
	Equity Active Sub Fund	Equity Active Sub-Fund	Optional
For a period of 3 years from the date of opening of employee's pension account (regardless of age)	0%	0%	0%
≤ 30 years	50%	25%	50%
≤ 40 years	40%	20%	40%
≤ 50 years	30%	15%	30%
≤ 60 years	20%	10%	20%

THIRD SCHEDULE
Default Asset Allocation

[see proviso of rule 2(1) (d) & 5(1) (e)]

Age	Sub-Funds (as % of employee's pension account balance)			
	Equity Index (High Risk)	Equity Active (High Risk)	Debt (Medium Risk)	Money Market (Low Risk)
For a period of 3 years from the date of opening of employee's pension account (regardless of age)	0%	0%	0%	0%
≤ 30 years	30%	10%	30%	30%
≤ 40 years	20%	10%	30%	40%
≤ 50 years	15%	5%	20%	60%
≤ 60 years	10%	0%	10%	80%