EOBI FAQ’s

Question: When and for what purpose was the Employees' Old-Age Benefits Institution (EOBI) established?
Answer: The Employees' Old-Age Benefits Institution (EOBI) was established in **July 1976** to implement the **EOB Act of 1970**. Its purpose is to provide **pension and other financial benefits** to employees of industrial, commercial, and other organizations in Pakistan during old age or disability. In the event of an employee’s death, EOBI continues to support their **spouse and minor children**, or, if there are none, the **elderly parents** for up to five years.

Question: Is EOBI a government or private institution?
Answer: EOBI is a **semi-autonomous government institution** operating under the **Ministry of Overseas Pakistanis and Human Resource Development**.

Question: Which institutions and employees fall under the jurisdiction of EOBI?
Answer: EOBI covers **factories, commercial establishments, private schools, charitable organizations, department stores, security companies**, and similar institutions.

- For organizations established **before July 2008**, coverage applies if they employ **10 or more workers**.
- For those established **after July 2008**, coverage starts with **5 or more employees**.

These institutions are required to register their employees with EOBI, making them eligible for pensions or grants when due.

Question: To which workers or employees does EOBI provide pensions or grants?
Answer: Employees or workers who are registered with EOBI and have been making contributions can be entitled to a pension or grant from the age of 60 for male employees and 55 for female employees.

Question: What is a contribution and who pays it?
Answer: The amount that employers of all organizations registered in EOBI pay is 5 percent on the first 37,000 rupees of each employee's wages and 1 percent of the employee's wages per month. This amount is called a contribution.

Question: What is meant by the first 37,000 rupees of salary? Don't employees with salaries higher than this pay contributions?
Answer: Payment of contribution is mandatory for every employee, but if the salary or wages of an employee or worker is more than 37 thousand rupees, then the contribution from the employer and the employee is not calculated on the entire salary, but only on the first 37 thousand rupees. That means 5 percent by the employer, which is 1,850 rupees, and 1 percent by the employee, which is 370 rupees, is collected. Thus, the total contribution is 2,220 rupees per month.

Question: What is the method for submitting a contribution?
Answer: Form No. 03-PR is available in every regional office of EOBI for payment of contribution. This is actually a payment slip. It has four copies. The employer or his representative fills out this form and submits his and his employees' share of the contribution to the authorized bank branch in his area. One copy of the form is given to the employer, one copy is retained by the bank, the third copy is sent to the Central Bank branch in Karachi, and the fourth copy is sent to the relevant EOBI office.

Question: Can a field officer of EOBI receive cash from an employer or any of its representatives?
Answer: No EOBI officer can directly receive contributions in the form of cash or cheque from an employer or any of its representatives.

Question: How are business entities and their employees or workers registered in EOBI?
Answer: There are regional and field offices of EOBI in various cities and towns where registration forms for employers and their employees or workers are available. Once an institution is registered as per the law, it is mandatory for the employer to register his institution and employees with EOBI within thirty (30) days. The form number for employer registration is 01-PR, and the form on which the employer provides details about the employees is called PE-01. EOBI issues a registration card to every employee or worker of the institution upon registration. This card is called PI-03.

Question: If an employer does not register any of its employees or workers with EOBI, can that employee register himself with the database?
Answer: The answer is absolutely yes. For this, the employee can approach the nearest EOBI office with proof of his employment, provided that his institution is already registered with EOBI or is eligible for registration as per the law. For the direct registration of any employee or worker, an application has to be made on Form No. PE-02, which is available at every EOBI office.

Question: If an employee or worker leaves his first job and starts working in another place, does he have to register again?

Answer: No. The registration card issued by EOBI to an employee or worker is his personal property, and it includes his registration number. The employer should hand over the registration card of each of his employees or workers to them. If an employee leaves his first job for any reason and starts working in another place, he does not need to register again at the new place. He can submit his contribution to EOBI by giving his new employer a photocopy of the old registration card or by providing his registration number. In this way, his first employment is also recorded and he benefits from it.

Types of Pensions and Benefits Provided by EOBI

1. Old-Age Pension

This pension is paid to registered employees who have completed at least **fifteen years of insurable employment** (i.e., 15 years of registered employment with payment of contributions).

- **Male workers** become eligible at the age of **60**.
- **Female members** become entitled at the age of **55**, although they can also claim at **50** if applicable.
- In registered institutions where the retirement age is below 60, employees can avail the **Reduced Pension** option. This reduction is calculated at the rate of **half a percent per month**, or **six percent per year** from the full pension.

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2. Invalidity Pension

If a registered employee, with **at least five years** of contributions, becomes **disabled by two-thirds or more** due to a **non-occupational disability**, he will continue to receive a **disability pension** for as long as the disability persists.

- If the disability lasts for **five years** or if the employee **reaches the pensionable age**, the **invalidity pension is converted to old-age pension** as per EOBI rules and will continue for life.

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3. Survivors' Pension

In the event of the death of a registered pensioner:

- If he was employed in a **qualified job** and completed at least **five years of service**, his **spouse** will receive a **lifetime pension**.
- If the deceased was **unemployed** at the time of death but had **five years of total service**, the **spouse may still be entitled** to receive the pension.

- A **widowed spouse** will remain eligible for a pension even if they **remarry**.
- If the deceased had already qualified for an old-age or invalidity pension before passing away, the **spouse will receive a lifetime pension equal to the deceased's pension**.

Additional survivor benefits include:

- A **dependent son** receives pension **until he turns 18**.
- A **daughter** receives pension **until she turns 18 or gets married**, whichever comes first.
- If the deceased was **unmarried**, the **parents** are entitled to a pension for **five years**.

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4. Old-Age Grant

This grant is given to all registered employees who have completed **at least two years of insurable employment** by the age of **60** (or **55 years for women and conscripts),** and are **not eligible for old-age pension** under the rules.

Question: What is the procedure for receiving a pension?

Answer: A registered employee or worker who is entitled to a pension has to submit an application on plain paper, get it certified by his employer (owner), and submit it to the relevant office of EOBI. There, he is given the pension claim documents (CAM form), which he fills out and submits to the office through his employer. It is mandatory to submit the following documents and their photocopies along with the claim form:

1. Two recent, certified passport-sized photographs
2. Attested copy of the National Identity Card
3. EOBI Registration Card (PI-03)
4. A certified certificate stating that all deductions have been paid and the worker has not filed any previous claims
5. Salary certificate for the last year of employment, certified by the employer
6. Employment certificate from the employer

After the pension benefits are processed, they should be deposited in the relevant regional or field office, and a receipt should be obtained. That office completes the process within 30 days and issues a pension card to the pensioner. The pensioner can then receive the pension every month from any **approved bank branch** nearest to his residence.

Question: Does everyone receive the same pension, or is there a formula for it?

Answer: According to the regulations, if an employee or worker is entitled to a pension, the amount is calculated using the following formula:

Total years of registered employment × Average salary or wages of the last year (on which contributions were received) ÷ 50

The government has fixed the **minimum pension at Rs. 10,000 per month**.

- If someone's pension amount, as per the formula, is calculated to be less than this, they will still receive **Rs. 10,000 per month**.
- If someone's pension is more than Rs. 10,000, they will receive that higher amount **with any applicable percentage increase** as announced by the government.

Question: Is there any fee for any EOBI form to register or receive a pension?

Answer: No. There is **no fee** for any EOBI form required for registration or to receive a pension. Furthermore, **no employee or officer** of the institution is authorized to collect **any money** from an employer or employee in connection with the generation of contributions or the payment of pensions.
If any person demands money for any form or service, the complainant should directly approach the **senior officer of the concerned office**, or report the issue to the **EOBI Head Office in Karachi**.
