PENSIONERS' BENEFIT ACCOUNT RULES, 2003

Islamabad, the 20th January, 2003

S.R.O (1)/2003.—In exercise of the powers conferred by section 28 of the Public Debit Act: 1944 (XVIII of 1944) and all other powers in this behalf, the Federal Government is pleased to make the following rules, namely:—

PENSIONERS' BENEFIT ACCOUNT RULES, 2003

1. These rules shall be called the "Pensioners' Benefit Account Rules, 2003".

2. These rules shall apply to the deposits received in Pensioners' Benefit Account.

3. The pensioners' benefit account shall be opened at National Savings Centre only.

4. Only one account shall be opened by a retired official of the Federal Government, Provincial Government, [Azad Government of the State of Jammu and Kashmir][1],Armed Forces, Semi Government and Autonomous Bodies and in case of death the pensioner's eligible member of the family. [in case of the death of the Pensioner's Benefit Account (PBA) holder, where the nomination or succession, as the case may be, is among the -

(a) eligible family member, shall be entitled to receive the principal amount and profit thereon, at the rate of PBA or may transfer the account to his name of his respective share as per succession certificate or nomination, as the case may be; and,

(b) in-eligible family member, shall be entitled to receive the principal amount and profit thereon at the prevailing rate of savings account reckoned from the date of pensioner's death till closure of account] [2]."

5. [The account shall be opened for a period of ten years with a minimum deposit of rupees ten thousand and in multiple of rupees one thousand Rupees subject to the maximum limit of [seven million

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[1] ***Inserted*****:** the words *vide* F.D. Notification No. F.12(1)AFA(DM)/2002-785 dated 19th June, 2003.

[2] ***Substituted: the rule-4*** *vide* F.D. Notification No. F.20(16)BS-2023-261, dated 02nd May, 2024. For the rule
Only one account shall be opened by a retired official of the Federal Government, Provincial Government, [Azad Government of the State of Jammu and Kashmir]2,Armed Forces, Semi Government and Autonomous Bodies and in case of death the pensioner's eligible member of the family:
[Provided that in case where the nominee is not among the eligible family member to maintain the account, the nominee shall be eligible to receive the principal amount and profit thereon at the prevailing rate of Savings Account for a maximum period of three months reckoned from the date of pensioner's death or till submission of death-case by nominee, whichever is earlier and the account shall be closed thereafter]
Note:- The above said proviso in rule-4 was inserted vide F.24(1)GS-1/210-717, dated 21.05.2012

five hundred thousand rupees]][3], provided that [only nine subsequent deposits]][4] "shall be accepted.][5].][6].][7].][8]

5-A. [The pensioner shall be eligible to maintain account jointly; with his/her otherwise eligible member of the family.][9]

6. If through any cause, the total holding of any depositor is discovered to be in excess of the limit prescribed in rule 5 whether as a result of,

(a) direct deposit; or

(b) receipt by transfer; or

(c) deposit on account holder's behalf by any other person; or inheritance, or award;

the depositor concerned shall be bound immediately to discharge the excess holding and no profit shall be paid on amount in excess of the maximum prescribed limit.

7. [Any profit or principal payment which may have been made in contravention of these rules or by mistake shall be refunded to the Government in lump-sum and in the event of failure to refund, the amount(s) shall be deducted from any money payable by the Government to the person(s) who received the profit or principal payment. In case no money is payable by the Government to the person(s), (in

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[3] ***Substituted: the words in rule-5 [***five million rupees] *vide* F.D. Notification No. F.20(16)BS-2023-261, dated 02nd May, 2024.

[4] ***Substituted: the words in rule-5[***only seven subsequent deposits]" *vide* F.D. Notification No. F.20(16)BS-2023-261, dated 02nd May, 2024. For the rule

[5] ***Substituted*:** *vide* F.D. Notification No. F.10(4)DM-II/ 2003-1410 dated 30th June, 2004 for the words "one" and "no" with the words "two" and "one" respectively]

[6] ***Substituted:*** the words " two " and "only one " respectively, in Rule-5 were substituted *vide* F.D. Notification No. F.10(4)DM-II/ 2003-2248 dated 28th October, 2005;.with the *the word "three" and "two" respectively.

[7] ***Substituted*:** Rule-5 vide F.D.Notification No. F.24(1)GS-I/2014-836 dated 7th August , 2015; as under:-

"*The account shall be opened for a period of ten years with a minimum deposit of rupees ten thousand and in multiple of rupees one thousand subject to the maximum limit of four million rupees, provided that "only five subsequent deposits" shall be accepted."*

The wording of previous Rule-5 were as under;

"The account shall be opened for a period of ten years with a minimum deposit of rupees ten thousand and in multiple of rupees one thousand subject to the maximum limit of three million rupees, provided that only two** subsequent deposits" shall be accepted."*

[The above said substitution shall be deemed to have been effective from the 1st July, 2015]

[8] ***Substituted*:** (deemed to have been substituted) on **1st July, 2016** rule-5, *vide* F.D. Notification No. F.24(1)GS-I/ 2014-896 dated 13thJuly, 2016;

The substituted rule-5 reads as under ; *The account shall be opened for a period of ten years with a minimum deposit of rupees ten thousand and in multiple of rupees one thousand subject to the maximum limit of four million rupees, provided that "only five subsequent deposits" shall be accepted*

"*The account shall be opened for a period of ten years with a minimum deposit of rupees ten thousand and in multiple of rupees one thousand subject to the maximum limit of four million rupees, provided that "only five subsequent deposits" shall be accepted."*

That was deemed to be substituted from the **1st July, 2015***vide* F.D.Notification No. F.24(1)GS-I/2014-836 dated 7th August , 2015; for the words;

"The account shall be opened for a period of ten years with a minimum deposit of rupees ten thousand and in multiple of rupees one thousand subject to the maximum limit of three million rupees, provided that only two** subsequent deposits" shall be accepted."*

Wherein, previously, the *the word "three" and ** the word "two" were substituted *vide* F.D. Notification No. F.10(4)DM-II/ 2003-2248 dated 28th October, 2005; for the words " two " and "only one " respectively.

Which were earlier substituted *vide* F.D. Notification No. F.10(4)DM-II/ 2003-1410 dated 30th June, 2005 for the words "one" and "no" respectively]

[9] ***Inserted*:** the rule-5A*vide* F.D. Notification No. F.12(1)DM-II/2003-1410 dated 30th June, 2004.

addition to other remedies for the recovery thereof by the Government), the recovery shall be got affected from estate, or be recovered as arrears of land revenue.][10]

8. Withdrawal from principal amount shall be in multiple of rupees one thousand and profit shall cease to accrue in case the balance in the account reduces below the minimum prescribed limit.

9. Profit shall be payable on completion of each period of one month reckoned from the date of deposit in account till maturity or withdrawal or death of PBA holder, whichever is earlier. No profit shall be paid for any period less than one month. The net payable monthly profit accrued on deposits of account, shall be credited through correlation process in the Savings Account of the respective account holder(s), which has been opened / is being maintained at the same office of the issue / National Savings Centre.][11]

9A. **Account in Computerized NSC**.- In case the account is opened in computerized NSC, the accrued profit on due date shall be credited to the link Savings Account][12].

10. [Service charges at the rate of 1%, 0.75%, 0.5% and 0.25% of the principal amount shall be deducted if premature withdrawal before the completion of one year, two years, three years and four years from the date of deposit, respectively.

Provided that service charges shall not be deducted in case of premature withdrawal by the nominee or successor in the event of death of an account holder.][13]][14]

11. [The rate of profit on these accounts shall be as notified by the [Finance Division with the approval of Minister-in-charge]][15] in the official Gazette form time to time.

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[10] ***Substituted*:** rule-7 *vide* F.D. Notification No. F.25(1)GS-I/ 2010-1349 dated 1st August, 2011;
[for the word ;

" Any profit or payment which may have been made in contravention of rules-6 shall be refunded to the Government on demand, and in the event of failure to refund, may (in addition to other remedies for the recovery thereof by the Government) be deducted from any money payable by the Government to the person who received the profit or payment or from his or her estate, or be recovered as arrear of land revenue."]

[11] ***Substituted*:** rule-9 *vide* F.D. Notification No. F.20(10)-GS-1/ 2020-621 dated 8th April, 2021
[for the words;

" Profit shall be payable on completion of each period of one month reckoned from the date of opening of an account till maturity or withdrawal, whichever is earlier. No profit shall be paid for any period less than one month."]

[12] ***Rule 9A is added*** *vide* F.D. Notification No. F.20(6)GS-I/ 2018-1415 dated 3rd September, 2019

[13] ***Substituted;*** the rule 10 *vide* F.D. Notification No.12(1)DM-II/2003-244 dated 20th January, 2004, the substituted words reads as under:-

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" In the case of premature withdrawal before the completion of one, two, three and four years of the deposit, service charges at the rate of 2%, 1.5%, 1% and 0.5% of the principal amount shall be deducted respectively."

[14] ***Substituted;*** the rule 10 *vide* F.D. Notification No.25(1)/GS-I/2005-153 dated January 24, 2006. [for the words as under:-

" *Service charges on the deposits, if withdrawn before maturity period shall be deducted at the following rates, namely:—*

(i)	*if withdrawn before completion of one year from the date of deposit.*	*@ 2% of the face value.*
(ii)	*if withdrawn after completion of one year but before completion of two year from the date of deposit.*	*@ 1.5 % of the face value.*
(iii)	*if withdrawn after two years but before completion of three year from the date of deposit.*	*@ 1% of the face value.*
(iv)	*if withdrawn after three years but before completion off four year from the date of deposit.][C]*	*@ 0.5 % of the face value.*

Provided that Service charges shall not be deducted in case of premature withdrawal by the nominee in the event of the death of an account holder."

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[15] ***Substituted; with the words "Finance Division with the approval of Minister-in-charge" in*** the rule 11 *vide* F.D. Notification No.20(7)GS-1/2018-325 dated 06th March, 2020 for the words as under:-

"Federal Government".

[Provided that any upward revision of the rate of profit notified by the [Finance Division with the approval of Minister-in-charge]][16] subsequent to the date of this notification shall be applicable to the existing account but any downward revision of such rate of profit shall only be applicable to fresh investments.][17]

12. The principal deposit on completion of maturity period shall stand reinvested from the date following the date of maturity, if so requested by the depositor at the rate of return and terms & conditions prevailing on the said date.

12A. "(1) case, any deposit is not withdrawn after maturity period of ten years, the principal deposit at credit of the account shall be deemed to have been re-deposited from the date of maturity for another term of ten years under these rules. The amount so re-deposited shall earn profit at the rate prevalent on the date of re-deposit, as per procedure defined by the Central Directorate of National Savings.][18]"

(2) In case, no transaction is made for a continuous period of one year from the date of maturity of last unit, the principal amount of all units of such account shall be marked as "Dormant" and no transaction shall be allowed without the written request of the investor, nominee or successor, as the case may be, for re-activation of the account."][19]" And

(3) Omitted][20].

(4) Omitted][21]

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14. ***Substituted; with the words "Finance Division with the approval of Minister-in-charge" in*** the rule 11 *vide* F.D. Notification No.20(7)GS-1/2018-325 dated 06th March, 2020 for the words as under:-

"Federal Government".

17 ***Added;*** the proviso in rule-11 *vide* F.D. Notification No.24(1)/GS-I/2005-502 dated March 9, 2009.

18 ***Substituted; sub-rule (1), vide Finance Division's Notification No***.20(16)/BS-2023-261, dated May 02nd , 2024, the substituted sub-rule (1) read as [In case, the account is opened or re-deposited on or after insertion of this rule and if the same is not withdrawn on maturity, the principal deposit, shall cease to earn any further profit thereon]

19 ***Substituted; sub-rule (2), vide Finance Division's Notification No***.20(16)/BS-2023-261, dated May 02nd , 2024, the substituted sub-rule (2) read as [Account in respect of which no transaction has been made by the depositor for a period of one year from the date of maturity shall be marked as dead account and no subsequent transaction by the depositor in such account shall be allowed without prior approval of the officer in-charge of the concerned National Savings Centre.]

20 ***Omitted; sub-rule (), vide Finance Division's Notification No***.20(16)/BS-2023-261, dated May 02nd , 2024, the substituted sub-rule () read as [In case no manual transaction is made for a continuous period of two years from the date of maturity of the last unit, the principal amount of all units of such account shall be transferred to Federal Government Account:

Provided that the account may be revived at any time on the application of the depositor, nominees or successor, as the case may be, and the principal amount of all units and their accrued profit till respective maturity or death of depositor, whichever is earlier, shall be paid then-and-there and account shall be closed thereafter;

Provided further that in case, profit from the date of accrual is not claimed up to six years by the account holder, nominee or successor, as the case may be, the liability of the Government in respect of such profit payable thereon shall terminate. In such case, no amount on account of profit shall be paid.

Explanation:- Accrual means the date from which the profit is due.

21 ***Omitted; sub-rule (4), vide Finance Division's Notification No***.20(16)/BS-2023-261, dated May 02nd , 2024, the substituted sub-rule () read as [In respect of the procedure for transfer to Government under sub-rule (3) and revival thereof, rule 36B of the Defence Savings Certificates Rules, 1966, shall apply to the Pensioner's Benefit Account as it applies to Defence Savings Certificates and, in such application, the said rule shall be construed as if the reference therein and the forms thereof to the Defence Savings Certificates were references to the Pensioner's Benefit Account.".]21

Provided that the account may be revived at any time on application of the depositor, nominee or successor, as the case may be and the principal amount of all units and their accrued profit till respective maturity or death of depositor, whichever is earlier, shall be paid then-and-there and account shall be closed

13. [The profit earned from investment made under these rules shall be exempted from compulsory deduction of withholding tax.][22]

14. Any investment made under these rules and profit earned thereon shall be exempted from compulsory collection of Zakat at source.

15. [The monthly profit, if not drawn on due date shall not earn any further profit.][23]

16. In regard to the procedure for opening of an account, withdrawal of deposit, transfer of account from one centre to another, nomination of beneficiary and all other matters, the National Savings Deposit Accounts Rules, 1974, [amended from time to time.][24] shall, if not inconsistent with these rules, apply to the accounts opened under these rules.

17. Omitted.[25]

18. A person who opens a Pensioners' Benefit Account shall be bound by these rules.

19. The [Director General National Savings] [26] may be order, remove any difficulty arising in the operation of these rules.

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[22] ***Substituted**:* the rule-13 *vide* F.D. Notifications No.F.25(1)GS-I/2010-1349 dated August 1, 2011, [for the words:

"13. Withholding tax on the profit earned on these accounts shall be deducted at source as per the provisions of Income Tax Ordinance, 2001 (XLIX of 2001)."

and this was substituted *vide* F.D. Notifications No.F.12(1)-AFA(DM)/2002-2358 dated November 10, 2004, for the original words :

" *13. The tax on profit from investment made on or after the 20th January 2003 shall be deducted at source at the rate of ten percent of such profit, if such deposit exceeds one hundred fifty thousand rupees*."]

[23] ***Substituted**:* the rule-15 *vide* F.D. Notifications No.F.25(1)GS-I/2010-1349 dated August 1, 2011, [for the words:

"*15. The monthly profit, if not drawn on due date shall earn profit at the rate of Savings Account wherein withdrawals are not made through cheques*."

and this was substituted *vide* F.D. Notifications No.F.12(1)DM-II/2003-1410 dated June 30, 2004, for the original words :

"*15. The monthly profit, if not drawn on due date shall not earn any further profit.*"]

[24] ***Substituted**:* the rule-15 *vide* F.D. Notifications No.F.25(1)GS-I/2010-1349 dated August 1, 2011, [for the words:

"*15. The monthly profit, if not drawn on due date shall earn profit at the rate of Savings Account wherein withdrawals are not made through cheques*."

and this was substituted *vide* F.D. Notifications No.F.12(1)DM-II/2003-1410 dated June 30, 2004, for the original words :

"*15. After the words, "NSDA Rules, 1974", the words " amended from time to time" were addd vide F.D Notification No.F.20(6)GS-1/2018-1415, dated 3rd September, 2019.*

[25] ***Omitted*:** rule-11 *vide* F.D. Notification No. F.25(1)GS-I/ 2010-1349 dated 1st August, 2011;

[containing the word ;

" The depositor shall repay in lump-sum any payment made by mistake or over payment received by him.."]

[26] ***Substituted the word*:** *in* rule-19 *vide* F.D. Notification No. .20(16)/BS-2023-261, dated May 02nd , 2024;

[containing the word ; " Federal Government.."]