

THE K.M.C. EMPLOYEES WELFARE FUND RULES, 1971.

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PART I-A

GOVERNMENT OF SIND EXCISE, TAXATION AND LOCAL GOVERNMENT DEPARTMENT.

NOTIFICATION

Karachi, the 26th January 1971.

NO. MC-I/1(38)/70. -- In exercise of the powers conferred by section 29 of the Municipal Administration Ordinance, 1960 (Ordinance X of 1960), read with section 121 and item 9 of the fourth Schedule thereto and Article 46(4) of the Basic Democracies Orders, 1959, the Government of Sind is pleased to make the following rules, namely:--

CHAPTER—I INTRODUCTORY

1. Short Title, Commencement and extent:--

- (1) These rules shall be called the K.M.C. Employees Welfare Fund Rules, 1971.
- (2) They shall come into force at once.
- (3) They shall apply to all permanent employees and such other employees of the KMC who have more than three years continuous service in a regular establishment, except members of such services and holders of such posts as may be specified by Government from time to time by Notification in the Official Gazette.

2. Definition:-

In these rules, unless the context otherwise requires, the following expressions shall have the meaning hereby respectively assigned to them that is to say:-

- (a) "Board" means the KMC Employees Welfare Board constituted under rule 7;
- (b) "family" in relation to a KMC employees means his or her-
 - (i) wife or wives or husband, as the case may be;
 - (ii) legitimate children and step children less than twelve years old;
 - (iii) legitimate children and step children not less than twelve years old. If residing with and wholly dependent upon him or her; and
 - (iv) parents, sisters and minor brothers, if residing with or wholly dependent upon him or her;
- (c) "fund" means the KMC Employees Welfare Fund constituted under these rules;

- (d) "Government" means the Government of Sind;
- (e) "Insurance Company" means the Insurance Company or other Insurer with whom arrangements are made by the Board under rule 11 for the group insurance of KMC Employees;
- (f) "K.M.C" means the Karachi Municipal Corporation;
- (g) "KMC employees" means a KMC servant of any grade, not employed on daily wages or on work-charged basis, male or female, drawing pay from KMC fund, except those working in KMC on deputation from Government or any other organization;
- (h) "pay" means the amount drawn monthly by KMC employee as-
 - (i) the pay which has been sanctioned for a post held by him or her substantively or in an officiating capacity or to which he or she is entitled by reason, of his or her position in a cadre;
 - (ii) Overseas pay, technical pay, personal pay and special pay; and
 - (iii) any other emolument which may specifically be classed as pay by the competent authority;
- (i) "Schedule" means the schedule to these rules.

CHAPTER II. WELFARE FUND.

3. Establishment of Welfare Fund:-

- (1) The Karachi Municipal Corporation shall establish and maintain a separate fund to be called the KMC Employees Welfare Fund.
- (2) To the credit of the Fund shall be placed:-
 - (a) all contributions received under rule 12 from the KMC employees;
 - (b) the contributions made to the Fund by the KMC or any other source; and
 - (c) any interest or profit accruing on such contributions.
- (3) The Fund shall be primarily utilized for meeting the expenses on arrangements to be made with an Insurance Company for the insurance of KMC employees ¹[and settlement of the claim of insurance in case of the Insurance Company refuse to settle such claim in the event of any dispute];
- (4) Any sums remaining in the Fund after defraying the expenses referred to in sub-rule(3) may with the previous sanction of the Board be utilized for-
 - (i) the relief of KMC employees and their families by giving financial

¹ Words inserted by Notification No.SO(VI)20-72/76
Dated 04-09-2977 Sind Govt.Gazette Pt-IV-A Page 70.

- assistance to KMC employees invalidated out of service;
- (ii) making special grants to service or retired KMC employees in exceptional cases in accordance with the provision of sub-rule (2) of rule 8.

4. Custody and Investment of the Fund:-

- (1) The moneys credited to the Fund shall be kept in the Bank transacting the business of the KMC.
- (2) The Board may invest any portion of the Fund in accordance with the orders of Government for the investment of surplus funds of the KMC.

5. Accounts and Audit of Fund:-

- (1) All contributions made under the rules shall be credited into the Fund in the head "KMC Employees Welfare Fund".
- (2) The contributions made to the Fund shall be checked by the Accounts Officer, KMC.
- (3) The accounts of the fund shall be maintained by the Assistant Accounts Officer, KMC.
- (4) The Accounts of the Fund shall be kept in rupees and all payments from it shall be made in rupees.
- (5) The accounts of the Fund shall be got audited annually by the Local Fund Audit Department, Government of Sind, and copies of the audit reports shall be submitted by the Chairman of the Board to the Karachi Municipal Corporation and to the Controlling Authority of the Corporation, not later than six months after the close of the financial year to which they relate.

6. Withdrawals.

Any amount required to be drawn from the Fund shall be drawn by submitting to the Accounts Officer, KMC bills signed by the Chairman of Board and the Assistant Accounts Officer, KMC or in their absence by any other two members of the Board, so authorised by the Board.

**CHAPTER--IV.
CONSTITUTION AND POWERS OF THE BOARD.**

7. Constitution of the Board:

- (1) The Board shall consist of
- (a) The Chairman, K.M.C.
- (b) The Financial Advisor, K.M.C.
- (c) The Chief Accounts Officer, K.M.C.

(d) Two nominee each of Class I, II, III and IV employees to be co-opted depending on the nature of cases coming up for decision of Board.

(2) The members of the Board shall not be entitled to any remuneration.

8. Powers of the Board:

(1) The Board--

(a) shall from time to time, arrange for the Insurance of K.M.C. employees in the sums specified in the Schedule with such Insurance Company as it deems fit;

(b) shall have the power to sanction expenditure connected with the administration and management of the Welfare Fund; and

(c) may do or cause to be done all the things ancillary or incidental to any of the aforesaid powers to the purposes of the Welfare Fund.

(2)¹ [The Board may make to a retired or serving KMC employee such point out of the fund not exceeding four thousand rupees as it may consider appropriate.]

9. Meeting the Board.

(1) There shall be held at least one meeting of the Board in every three months period.

(2) A special meeting of the Board may, however, be called by the Chairman, whenever he considers necessary.

(3) The Chairman and any two members of the Board shall form the quorum at the meeting.

(4) Decisions by the Board shall be taken by majority of votes. In case of equality of votes, the Chairman shall have a second or casting vote.

(5) The Assistant Accounts Officer of the KMC shall be the Secretary to the Board.

(6) All decisions of the Board shall be recorded in writing by the Secretary and in his absence by such other member of the Board as may be authorised in this behalf by the Chairman.

10. Power of the Secretary:

Subject to the general supervision and control of the Chairman, the Secretary shall be responsible for-

- (i) The conduct of correspondence on behalf of the Board;
- (ii) the maintenance of the records of the Board;

¹ Sub-section(2) substituted by Notification No.SO(VI)20-72/76
Dated 04-09-2977 Sind Govt.Gazette Pt-IV-A Page 70.

- (iii) the disbursement of moneys from the Fund;
- (iv) the maintenance of the accounts;
- (v) preparation of the agenda of the meeting of the Board and giving advance notice of such meeting to the members of the Board;
- (vi) performance of such other functions may be specified by the Chairman

CHAPTER V INSURANCE

11. Arrangement with Insurance Company:-

The arrangement to be made with an Insurance Company under sub-rule (3) of rule 3 shall be to the effect that on the death of a KMC employee of the class specified in column I of the Schedule the sum specified against the class of KMC employee in column 2 of the Schedule shall be paid--

- (a) to such member or members of his family as he may have nominated for the purpose, in full or in the shares specified by him at the time of making the nominations; and
- (b) where no valid nomination by the employee exists at the time of his death, the sum assured shall be paid to his family, and in the absence of a family, to his surviving relatives, if any, in the manner and in the share in which the gratuity of a deceased KMC employee is payable under the pension rules applicable to such employee.

12. Payment and Contribution:-

- (1) Every KMC employee to whom these rules apply drawing pay exceeding Rs. 300 P.M shall contribute to the Fund per annum a sum of Rs. 2.90 paisa (rupees two and ninety paisa) per thousand of the sum in which is insured.
- (2) The amount of such contribution shall be deducted at the source of his pay by the Drawing and Disbursing Officer and shall be credited or remitted to the Welfare Fund.
- (3) If for any reason any contribution to the Fund due from a KMC Employee has not been deducted from his or paid in the manner provided in this rule, the same shall in lump sum be paid by-
 - (a) The deduction of the amount from his subsequent pay bill; or
 - (b) Remitting the amount to the KMC Assistant Accounts Officer, who shall credit the amount in to the fund.
- (4) Any contribution remaining unpaid due to inadvertence or negligence of the KMC employee or otherwise shall be recoverable from him together with interest.

13. K. M. C.'s contribution to the fund:-

- (1) The KMC shall contribute monthly to the fund a sum equal to Rs. 2.90, (Rupees two, paisas ninety) per thousand of the total sum in which the

employees drawing pay upto Rs. 300 per month are insured.

¹[(2)In addition to the amount contributed under sub-rule (1) the KMC shall in case the Insurance Company refers to settle any claim under these rules in the event of any dispute, provide such amount as grant-in-aid to the Fund as may fall short to the amount in the fund for settlement of such claim.]

14. Purpose of Insurance:- For the purposes of the Insurance of the KMC employees under these rules:-

- (a) a KMC employee shall be deemed to be a Class I officer, if he is either classified as Class I Officer by the Government or by an authority empowered in this behalf or if he has not been so classified, the scale of pay drawn by him is identical with the pay of a Class I officer of the KMC.
- (b) a KMC employee shall be deemed to be a Class II of Officer, if he is either classified as Class II Officer, by the Government or by an authority empowered in this behalf or if he has not been so classified, the scale of pay drawn by him is identical with the pay of a Class II Officer of the KMC;
- (c) a KMC employee shall be deemed to be a Class III employee if the scale of pay drawn by him is identical with or similar to the pay scale of Class III employee of the Government.
- (d) a KMC employee shall be deemed to be a class IV employee if the scale of pay drawn by him is identical or similar to the pay scale of Class IV employee of Government.

15. Sixty year age:- Every KMC employee to whom these rules apply who is under the age of sixty years shall be assured the sum specified in the Schedule in respect of the class to which he belongs.

16. Death of Member:- Notwithstanding the fact that a KMC employee may have at different times belonged to different classes of KMC service the assured sum to be paid on his death to the member or the members of his family nominated by him or her, in this behalf or the other person specified in rule, shall be the sum specified in the Schedule in respect of the class to which he belonged immediately before his death.

17. Neither Entitled to any benefit:- If a KMC employee, for any reason whatsoever, quits KMC service or is, discharged or dismissed from service or his services are terminated, he or she shall neither be entitled to any benefit from the fund, nor to any claim for the refund of the contribution made by him or her towards the said Fund during the period of his or her service.

18. Nomination of Members:- Within three months of the coming into force of these rules:

¹ Sub-rule(2) added by Notification No. SO(VI)2-72/76
Dated 4-9-1977, Sind Govt. Gazette PT-IV-A, 1977 Page 70.

- (a) Every Class I and Class II KMC employee below sixty years of age shall nominate, in the form set out in Annexure 'A' to these rules a member or members of his or her family to whom he desires the sum assured to be paid in the event of his or her death, specifying in case the sum assured is to be paid to more than one member of his or her family, the proportion in which such sum is to be paid to them, and forward the same direct to the Insurance Company, whereupon the Insurance Company shall assign a nomination number to him and furnish a receipt thereof for the record of the KMC employee; and
- (b) The Head of Office or the Head of the Department concerned shall obtain from every Class III and Class IV KMC employee working under him, who is below sixty years of age, two copies of the nomination, in the form set out in Annexure 'A' to these rules duly filled in and completed in all respects and place the same in the service book of the assured person concerned.

19. CLAIMS:- Claims under these rules shall become payable only upon submission by the Head of Office or the Head of Department concerned to the Insurance Company of:

- (i) a certificate in the form set out in Annexure 'B' or 'C' as the case may be to these rules, certifying the death of the KMC employee concerned and indicating the class of KMC employees to which such KMC employee belonged immediately before his or her death;
- (ii) where the deceased was a Class III or Class IV KMC employee, one copy of the nomination form referred to in clause (b) of rule 11; and
- (iii) where no valid nomination under rule 11 subsists in respect of a KMC employee at the time of his death, a certificate specifying the names of the members of his family, and in the absence of any member of his family, the names of his surviving relatives, to whom the sum assured is payable under the pension rules applicable to such KMC employee.

20. (1) Immediate arrangements of payments:- On receipt of the documents referred to in rule 19 the Insurance Company shall make immediate arrangements for the payment of the sum assured, depending on the class to which such assured person belonged, in the manner provided in rule 5.

(2) In case the nominee is a minor, the KMC employee shall nominate one or more persons through whom the payment of the share or amount of the minor shall be paid by the Insurance Company.

(3) A KMC employee may, at any time, cancel a nomination by sending a notice in writing to the appropriate authority and may also send a fresh nomination alongwith such notice.

(4) If the nomination relates only to a part of the total sum assured, the part to

which it does not relate shall, in the event of the death of the KMC employee by whom it was made be distributed in accordance with clause (iii) of rule 19.

**CHAPTER—VI
MISCELLANEOUS.**

21. Appeals- No appeal shall lie against any decision of the Board.

22. Delegation:- The Chairman may with the previous approval of the Controlling Authority, delegate any of powers conferred on him under these rules to any member or servant of the Corporation.

S.K. MAHMUD,
Secretary to Government of Sind.

**ANNEXURE “A”
FORM OF NOMINATION**

I, _____ Son/Daughter/Wife of _____
_____ of the Department of K.M.C. hereby nominate the person/persons mentioned below, who is/are member/members of my family as defined in the K.M.C. employees Welfare Fund Rules, 1971 to received the assured sum in the event of my death under the Group Term Life Insurance Scheme:-

Name and address of Nominee	Relation-ship	Age	Proportion of the amount to be paid.	If the nominee is minor, name of the person or persons to whom payment made on his/her behalf.

Dated the _____ day of _____ 197 .

*Attested by _____

Signature of subscriber
Seal of Office.

* The signature of the subscriber should be attested by Class I Officer who should affix his office below his signature.

ANNEXURE "B"
(CLASS I AND CLASS II)

KARACHI Municipal Corporation
_____ Department/Office.

Date _____

To,

(Address of the Insurance Co.)

Dear Sirs,

RE:- GROUP INSURANCE SCHEME

With reference to the above noted Scheme, I have to report that Mr/Mrs/Miss.
_____ Aged _____ years, died on _____.

It is therefore, requested that the payment of Rs. _____
(Rupees _____ only) the amount for which the deceased was
covered, may be made in favour of the nominee/nominees.

It is hereby certified--

- (1) That the deceased was a subscriber to the Fund.
- (2) That at the time of the death the deceased was a Class _____ employee.

Yours faithfully.

**ANNEXURE 'C'
(CLASS III AND IV)**

Karachi Municipal Corporation
_____ Department/Office.

Date _____

To,

(ADDRESS OF THE INSURANCE CO.)

Dear Sirs,

RE:- GROUP INSURANCE SCHEME

With reference to the above noted Scheme, I have to report that Mr/Mrs/Miss.
_____ Aged _____ years, died on _____.

It is therefore, requested that sum of Rs. _____ (Rupees _____
_____) the amount for which the deceased was covered may be paid to
the nominee/nominees. A copy of the nomination from his/her service record is
enclosed.

It is hereby certified:--

- (1) That the necessary premium has been paid.
- (2) That at the time of the death the deceased was a Class _____ employee.

Yours faithfully.

(HEAD OF OFFICIAL/DEPARTMENT)

**SCHEDULE
(See rule---11)**

The sum in which various classes of K.M.C employees are to be insured:-

Class of Municipal Employee	Sum assured.
1.	2.

THE SINDH GOVERNMENT GAZETTE
KARACHI, SATURDAY, JANUARY 30, 1971.

Class I	¹ [Twenty five thousand rupees
Class II	Twenty thousand rupees
Class III	Ten thousand rupees
Class IV	Five thousand rupees.]

¹ Substituted by Notification No. SO(VI)2-72/76 dated 4-9-1977
Sind Government Gazette Pt-VI-A-1977 Page-70

