



Punjab Pension Fund
Government of The Punjab



PUNJAB DEFINED CONTRIBUTION PENSION SCHEME (DCPS)

**Employee Support & Grievance
Toolkit**

Why This Toolkit Exists

This toolkit is for employees covered under the Punjab Defined Contribution Pension Scheme (DCPS).

If you joined Punjab government's service as a regular employee on or after 8 January 2024, this pension system applies to you.

This document explains:

- How your pension works
- How to open your pension account
- How your money is invested
- What your rights are
- What your responsibilities are
- What to do if something goes wrong

It also explains some basic investment concepts in simple terms so you understand how your retirement savings grow over time.

If there is ever a difference between this document and the official Rules, the Rules will apply. But this toolkit is written to help you understand things clearly.



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List of Abbreviations

AG	Accountant General
BPS	Basic Pay Scale
CNIC	Computerized National Identity Card
DCPS	Defined Contribution Pension Scheme
DDO	Drawing & Disbursing Officer
PFM	Pension Fund Manager
PKR	Pakistani Rupee
PPF	Punjab Pension Fund
SECP	Securities and Exchange Commission of Pakistan
VPS	Voluntary Pension System



1. Understanding Your Pension Under DCPS

1.1. What Type of Pension Is This?

Under DCPS, your pension works like long-term savings.

Every month:

- You save part of your salary.
- The Government adds more money.
- That money is invested.
- Over time, it grows.

When you retire, you receive money from what has been saved and invested in your name.

This is different from the old pension system.

In the old system:

- The Government promised a fixed pension amount.
- There was no personal pension account.
- Pension was paid from future government budgets.

Under DCPS:

- You have your own pension account.
- Real money is saved every month.
- The retirement amount depends on how much was saved and how it grew.

1.2. How Much Is Contributed Every Month?

Every month:

- **You contribute**
10% of your basic pay
This is deducted from your salary.
- **The Government contributes**
12% of your basic pay
This is extra money. It is not deducted from you.

Only basic pay is used to calculate pension. Allowances are not included.

So if your basic pay is 100,000:

- You contribute 10,000
- Government contributes 12,000
- Total 22,000 goes into your pension account that month

This continues every month during service.

Over many years, this becomes a large amount.

1.3. Where Does the Money Go?

Your pension money does not stay with your department. It goes to a Pension Fund Manager (PFM) licensed by the Securities and Exchange Commission of Pakistan.

The PFM:

- Keeps your pension account
- Invests the money
- Keeps records
- Sends account statements
- Pays benefits at retirement

You choose your PFM when opening your account.

1.4. What Is an Individual Pension Account?

Your pension account:

- Is opened in your own name
- Belongs to you
- Is separate from your salary account
- Stays with you even if you change departments
- Continues even if you leave government service

The money in it includes:

- Your contributions

- Government contributions
- Investment returns

It cannot be used for any purpose other than your retirement.

2. Understanding How Your Pension Is Invested

This is the part many employees find confusing. Let's explain it clearly.

2.1. Why are Pension Contributions Invested?

If your pension money just stayed in cash for 25–30 years:

- It would lose value because of inflation.
- It would not grow enough for retirement.

So your money is invested to help it grow over time.

Investing means:

- Putting money into shares of companies, government securities, and other financial instruments.
- Earning returns over many years.

The goal is **long-term growth**.

2.2. What are Conventional and Shariah-Compliant Funds?

Employees have the option to choose between a conventional pension fund and a Shariah-compliant pension fund.

Conventional Pension Fund:

- Invests in a broad range of financial instruments:
 - Shares of listed companies
 - Government securities and bonds
 - Corporate debt instruments
 - Money market instruments
- Returns based on market performance, may include interest-based income
- Managed within VPS and DCPS Rules

Shariah-Compliant Pension Fund:

- Follows Islamic principles:



- Avoids interest (riba)
- Avoids non-permissible businesses and activities
- Follows approved Islamic financial structures
- Overseen by a Shariah advisor or board for compliance

2.3. What Is Asset Allocation?

Pension savings are not placed into a single pool. Instead, they are invested through separate **sub-funds**, each with a different level of risk and return potential.

Asset allocation simply means how your pension money is divided between different types of investments.

There are **three** main types:

- 1) Equity (shares in companies)
- 2) Debt (government or company bonds)
- 3) Money market (short-term safe instruments)

You can choose how much of your money goes into each type, within limits.

2.4. What Is Equity?

Equity means owning a small share in a company.

If the company grows, the value of your share increases.

If the market falls, the value can decrease.

2.4.1. Is Equity Risky?

Yes, equity carries risk.

Over long periods (25-30 years), it has historically provided higher growth, but returns are not guaranteed.

This is why younger employees are allowed more equity exposure.

Risk does NOT mean:

- Your money disappears.
- The Government takes your money.
- The PFM steals your money.



Risk means:

- The value may go up and down.
- Some years may be negative.
- Other years may be strongly positive.

Over a full career, regular contributions plus long-term investment usually smooth out these ups and downs.

2.5. What Is Debt Investment?

Debt investments include:

- Government securities
- High-quality corporate bonds

These are more stable than equity.

They usually give moderate returns.

They fluctuate less.

2.6. What Is Money Market investment?

Money market investments are:

- Very short-term
- Very low risk
- Very stable

But returns are lower compared to equity.

This option is safer, especially close to retirement.

2.7. What Is Default Asset Allocation?

If you do not choose an investment mix, the system automatically applies a **default allocation**.

This default:

- Puts new accounts in low-risk investments for the first 3 years
- Gives younger employees some equity exposure

- Reduces risk as you get older

This is designed to protect employees who are not familiar with investing.

You can change your allocation later if you want.

2.8. What Are Pension Units?

Your pension account does not show just cash.

It shows units.

Think of units like this:

When money is invested, it buys units of a fund.

If the fund grows, the value of each unit increases.

Your total pension value = Number of units × Unit price

If markets do well, unit price goes up.

If markets fall, unit price may go down.

Over longer periods, investment values generally recover from short-term declines, but this is not guaranteed.

Returns depend on market conditions and investment performance.

2.9. What Should You Focus On?

As an employee, you should focus on:

- Ensuring your account is opened on time
- Making sure contributions are deducted correctly
- Understanding that short-term ups and downs are normal
- Thinking long-term, not month to month

Your pension is a 25–30 year journey, not a one-year investment.

3. Opening Your Pension Account

Opening your pension account is your first responsibility under DCPS.

If you delay this step:

- Contributions cannot be invested.
- Your first salary may be delayed.
- Your retirement savings lose valuable time.

So this must be done immediately after joining service.

3.1. When Should You Open the Account?

You should open your pension account:

As soon as you receive your appointment letter
And before your first salary is processed

Do not wait.

3.2. Where Do You Open the Account?

You must use the official Punjab Pension Fund (PPF) portal:

<https://pension.punjab.gov.pk>

Only use the official website.

Do not share your details with agents or third parties.

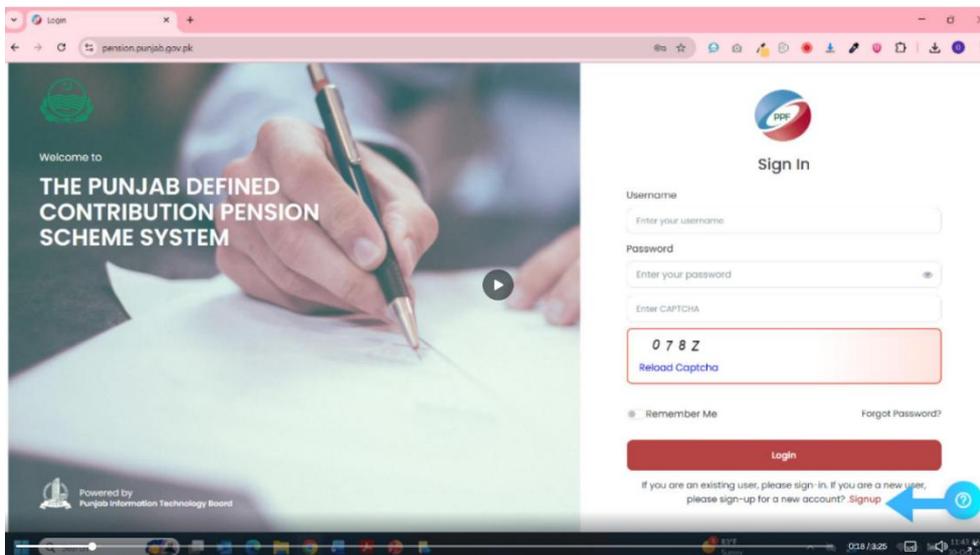
3.2.1. Step-by-Step Registration Process

Below is the full process in simple terms.

Step 1: Access the Online Portal

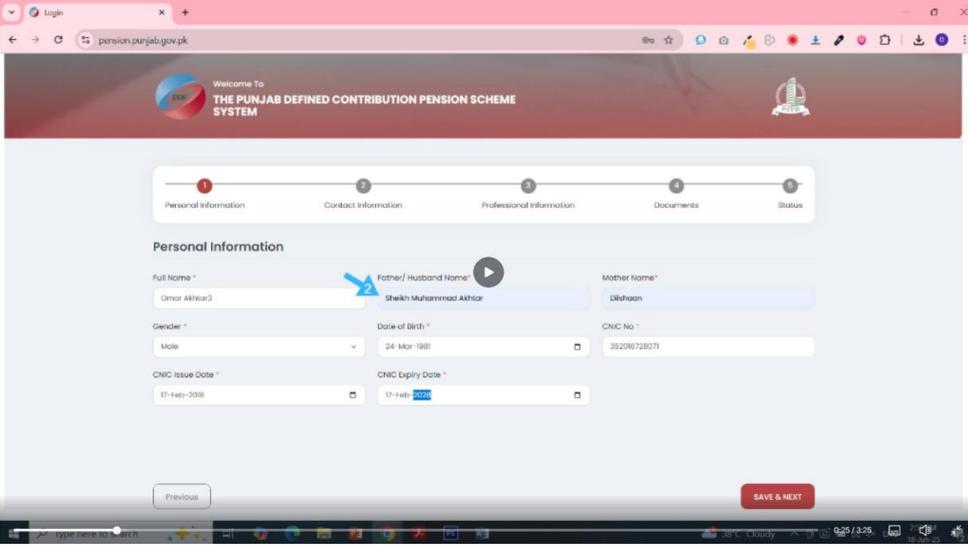
- Open an internet browser and visit the Punjab Pension Fund portal at:
<https://pension.punjab.gov.pk>

- Click on “New User Employee Sign-Up” to begin the registration process.



Step 2: Enter Personal Information

- Provide the required personal details, including:
 - Full name
 - Father’s or husband’s name
 - Mother’s name
 - Gender
 - Date of birth
 - CNIC number
 - CNIC issuance and expiry dates
- Once completed, select “**Save & Next**” to proceed.



Welcome To
THE PUNJAB DEFINED CONTRIBUTION PENSION SCHEME SYSTEM

1 Personal Information 2 Contact Information 3 Professional Information 4 Documents 5 Status

Personal Information

Full Name * Omar Akhtar3
Father/Husband Name * Sheikh Muhammad Akhtar
Mother Name * Dilkhoo

Gender * Male
Date of Birth * 24-Mar-1998
CNIC No * 35208728071

CNIC Issue Date * 17-Feb-2018
CNIC Expiry Date * 17-Feb-2028

Previous SAVE & NEXT

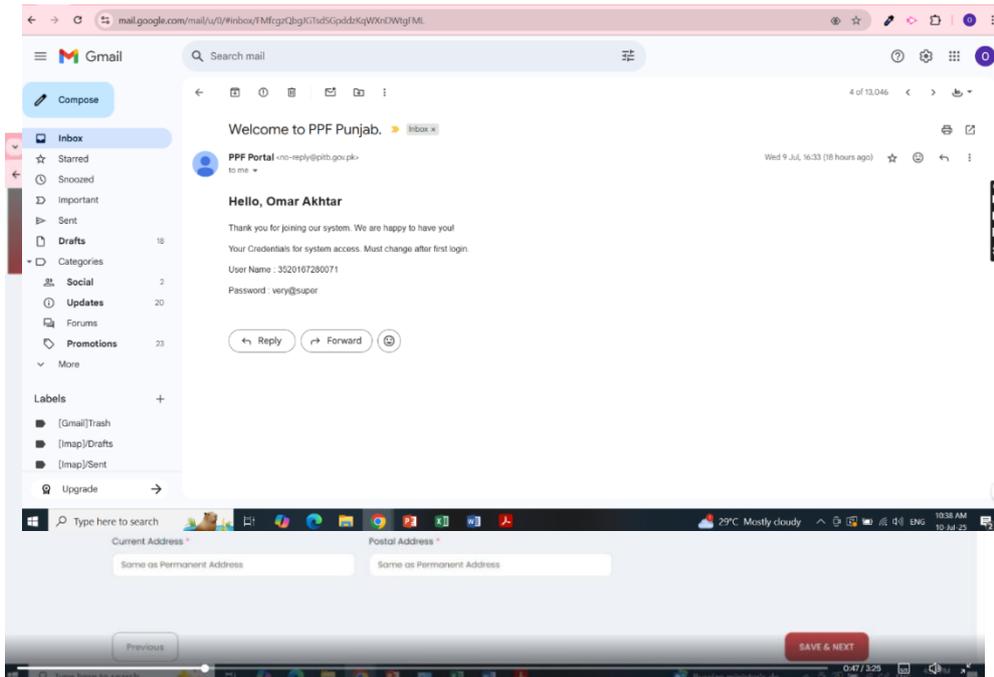
Step 3: Enter Contact Information

- Enter your contact and address details, including:
 - Mobile phone number
 - Alternate or emergency contact number
 - Email address
 - District and place of birth
 - Permanent, current, and postal addresses

- Click “**Save & Next**” to continue.

Step 4: Receive Login Credentials

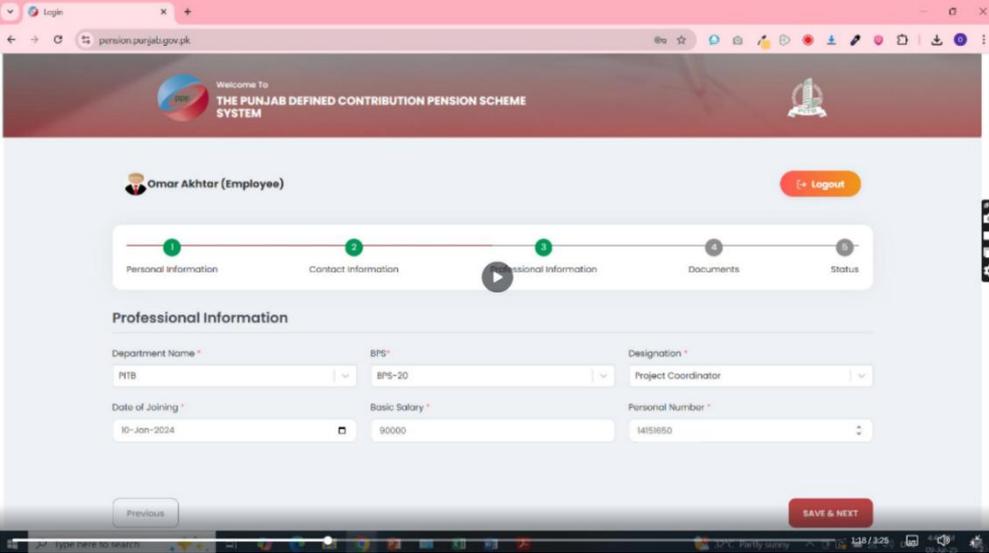
- After completing the above steps, your **username and temporary password** will be sent to the email address you provided during registration.



Step 5: Enter Professional Information

- Log in using the provided credentials and enter your service-related details, including:
 - Department name
 - Basic Pay Scale (BPS)
 - Designation
 - Date of joining
 - Basic salary
 - Personal number

- Select **“Save & Next”** to move forward.



Welcome To
THE PUNJAB DEFINED CONTRIBUTION PENSION SCHEME SYSTEM

Omar Akhtar (Employee) Logout

1 Personal Information 2 Contact Information 3 Professional Information 4 Documents 5 Status

Professional Information

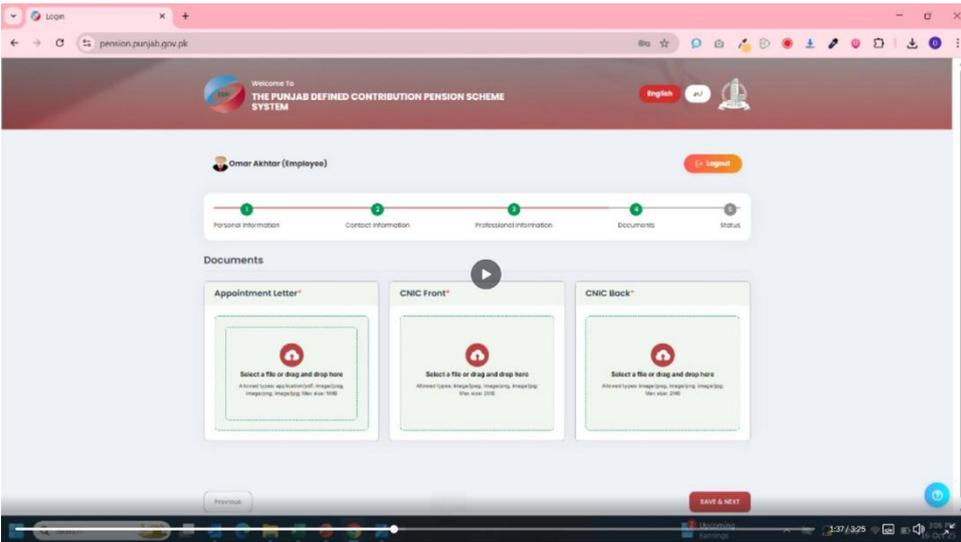
Department Name * PTB BPS * BPS-20 Designation * Project Coordinator

Date of Joining * 10-Jan-2024 Basic Salary * 90000 Personal Number * M151850

Previous SAVE & NEXT

Step 6: Upload Required Documents

- Upload clear, high-quality copies of the following documents:
 - Appointment or joining letter
 - CNIC (front and back)
- Ensure that all documents are legible, uncropped, and not blurred.
- Upload each document individually and then click **“Save & Next”**.



Welcome To
THE PUNJAB DEFINED CONTRIBUTION PENSION SCHEME SYSTEM

Omar Akhtar (Employee) Logout

1 Personal Information 2 Contact Information 3 Professional Information 4 Documents 5 Status

Documents

Appointment Letter * CNIC Front * CNIC Back *

Select a file or drag and drop here
Allowed types: application/msword, image/png, image/jpeg, image/gif, image/tif, image/tiff

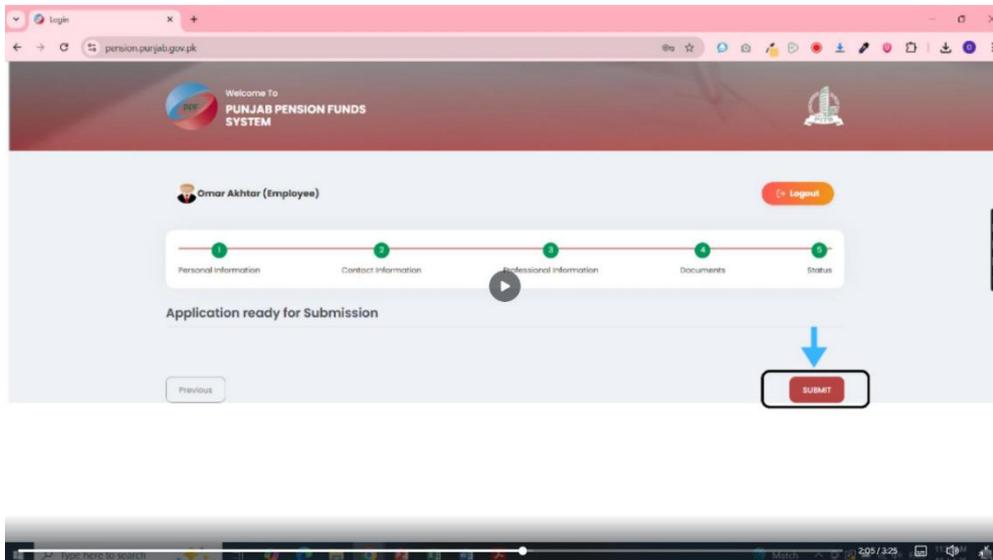
Select a file or drag and drop here
Allowed types: application/msword, image/png, image/jpeg, image/gif, image/tif, image/tiff

Select a file or drag and drop here
Allowed types: application/msword, image/png, image/jpeg, image/gif, image/tif, image/tiff

Previous SAVE & NEXT

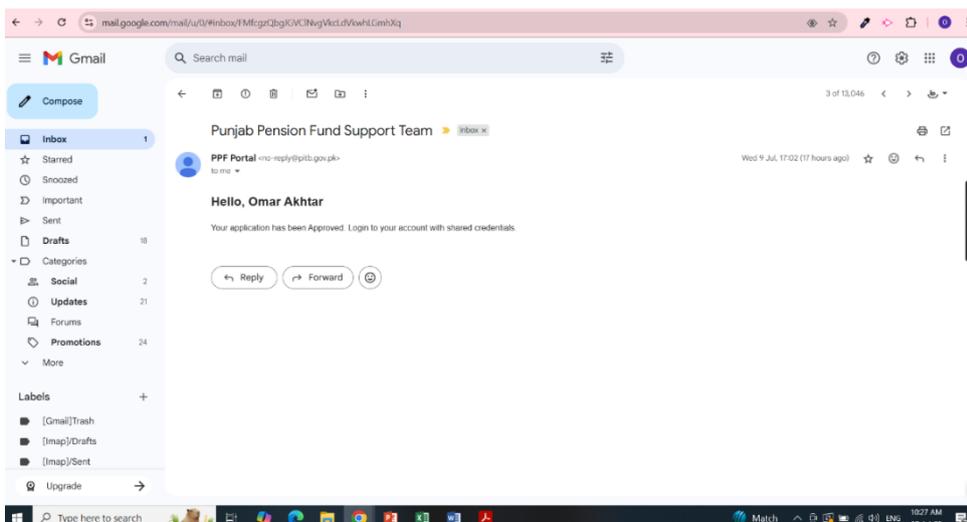
Step 7: Submit Application for Verification

- Once all information and documents have been uploaded, click “**Submit**”.
- Your application will be forwarded to your department for review and verification.



Step 8: Departmental Review and Notification

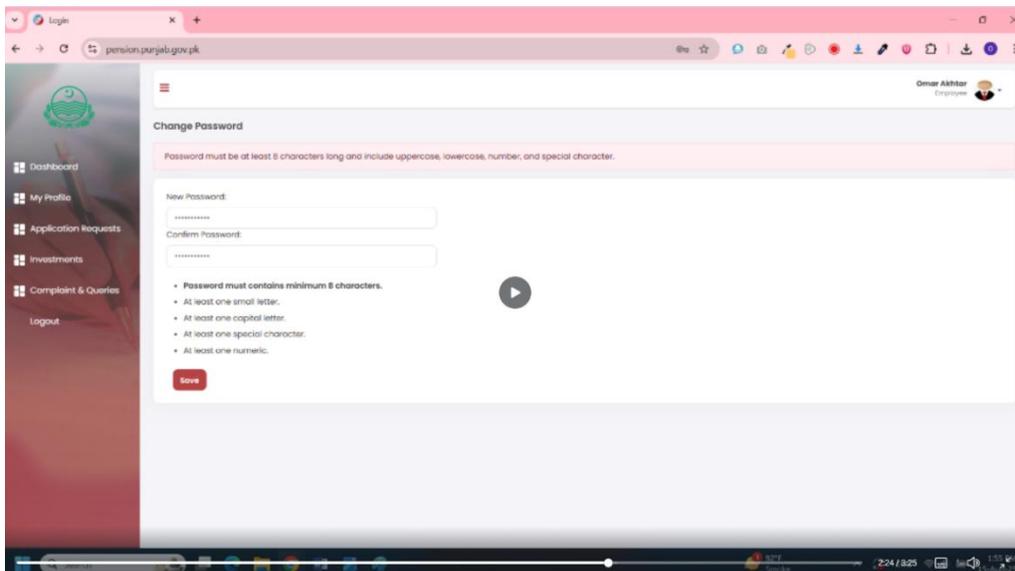
- After review by your department, you will receive an **email notification** informing you of the approval status of your application.



Step 9: Change Default Password

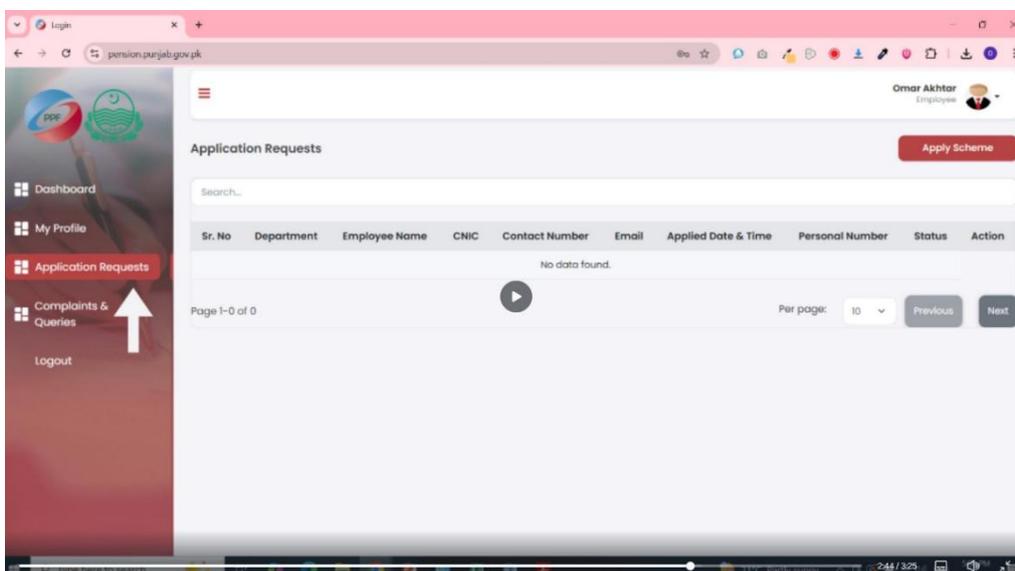
- After approval, log in to the portal again and **change your default password**.

- Enter a new password of your choice and confirm it before saving.



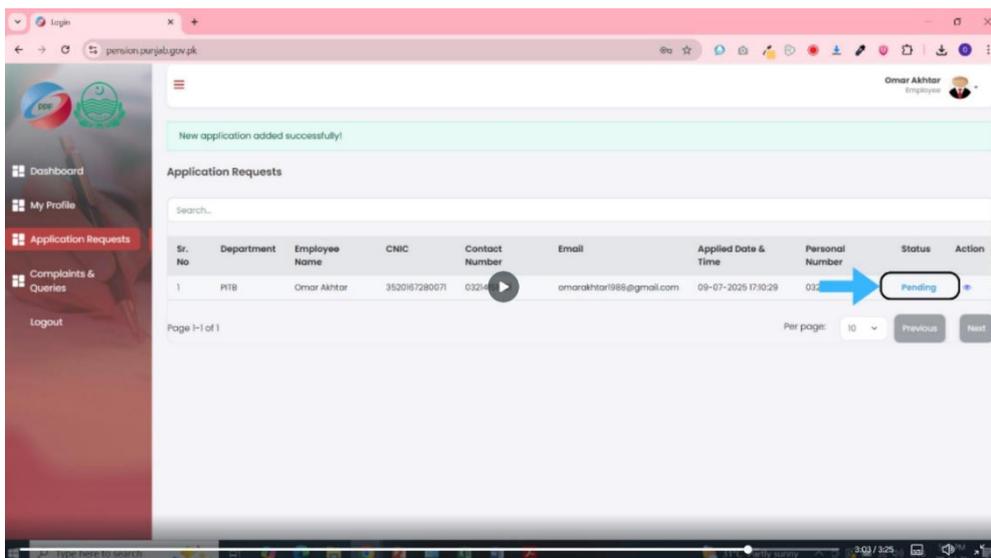
Step 10: Apply for the Pension Scheme

- From your profile dashboard, select the “**Application Requests**” tab.
- Click “**Apply Scheme**” and make the following selections:
 - Pension Fund Manager
 - Scheme type
 - Scheme name
 - Sub-scheme or fund option
- Submit your scheme application.



Step 11: Fund Manager Approval and Account Activation

- Your scheme selection will be reviewed by the selected Pension Fund Manager.
- Once approved, you will receive an email confirmation.
- The application status will update to **“Approved”**, confirming that your pension account has been successfully opened.



At this stage, your pension account has been successfully opened and approved by the Pension Fund Manager. However, your onboarding is only complete after you share your pension account details with your department.

Note:

You must provide your Pension Account Number to your Drawing & Disbursing Officer (DDO).

The DDO is responsible for forwarding this information to the Accountant General (AG) office using FORM-1.

This step is necessary so that:

- 10% employee contribution can be deducted correctly from your basic pay; and
- 12% Government contribution can be processed and transferred to your pension account.

Pension contributions will begin only after your account details are properly recorded with the AG office through FORM-1.

Confirm with your department that FORM-1 has been submitted and processed.

3.3. What Can Go Wrong During Account Opening?

It's better to know in advance.

Common problems include:

- Wrong CNIC number
- Incorrect date of joining
- Mismatch in basic pay
- Unclear documents
- Delay in department verification
- Not selecting PFM after registration

If your application is rejected:

- Log in
- Check comments
- Correct errors
- Re-submit immediately

Do not ignore email notifications.

4. Checking Your Contributions

Once your account is opened, your next responsibility is monitoring.

4.1. When Do Contributions Start?

Contributions start:

From the first month of salary

After your pension account is opened

If your account is not open, contributions cannot be transferred.

4.2. How Much Should Be Deducted?

Each month:

10% of your basic pay is deducted.

If your basic pay is 80,000:

- Deduction should be 8,000.
- Government adds 9,600 (12%).

Both amounts, or their total, should appear in your pension account.

4.3. How Do You Check?

Every month, you should check:

1. Your payslip
 - Confirm 10% deduction
2. Your pension account statement
 - Confirm both contributions are credited (or their total is credited).

4.4. What If Contributions Are Missing?

Do not wait. Follow this order:

Step 1: Contact your department / DDO

Step 2: Contact Punjab Pension Fund (PPF)

Step 3: Keep record of communication

Most issues are data or payroll delays.
They are fixable if reported early.



5. If You Leave Government Service Before Retirement

Sometimes employees resign or leave service early.

Here is what happens.

5.1. Do You Lose Your Pension Savings?

No.

Your pension account belongs to you.

Even if you leave government service:

- The money in your pension account remains yours.
- It does not go back to the Government.
- It does not close automatically.

Contributions stop after separation, but your savings stay invested.

5.2. What Are Your Options After Leaving Service?

After leaving service, you may:

Option 1: Keep the account

Your money remains invested. It continues to grow or fluctuate based on market performance.

Option 2: Transfer the account

You may transfer it to another eligible pension arrangement, if allowed under rules.

Option 3: Withdraw (subject to tax rules)

Early withdrawals are subject to applicable tax laws.

It is usually better to keep the money invested for long-term retirement planning.

5.3. Do Contributions Continue After Separation?

No.

Once you leave government service:

- 10% deduction stops.
- 12% Government contribution stops.

Only the accumulated savings remain invested.



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6. What Happens at Retirement?

Retirement is when your pension savings are used to provide income.

Your retirement benefit depends on:

- Total contributions made during service
- Investment performance over time

There is no fixed guaranteed pension amount.

6.1. Can You Withdraw All the Money at Retirement?

No.

You can withdraw:

Up to 25% of the total accumulated balance as a lump sum.

The remaining 75% must stay in the pension system.

This rule is designed to ensure you have regular income during retirement.

6.2. How Do You Receive Monthly Income After Retirement?

There are two main options:

Option 1: Buy an Annuity

You use your pension balance to buy a retirement plan from an insurance company or approved provider.

This pays you a fixed amount regularly.

Option 2: Income Payment Plan

Your money remains invested. You receive monthly payments while the rest continues to grow. Each option has advantages.

You should review choices before retirement.

7. What Happens in Case of Death or Disability?

This is very important.

7.1. If an Employee Dies During Service

Two payments may apply:

1. Pension Account Balance
The full accumulated pension savings are paid to your nominated beneficiary (or legal heirs).
2. Insurance Benefit
The scheme includes mandatory life insurance.

Minimum coverage:

- PKR 1,000,000 (Death or permanent disability before attaining retirement)
- PKR 2,000,000 (accidental death)

These amounts will increase with time.

Insurance is paid in addition to pension savings.

7.2. Why Nominee Information Is Important

If nominee details are not updated:

- Payments may be delayed.
- Legal verification may take longer.

You should update nominee details:

- After marriage
- After birth of children
- After any major family change

Always keep nominee information current.

8. Your Rights Under DCPS

You are not powerless in this system. You have rights.

8.1. Right to Information

You have the right to:

- View your pension account
- Receive statements
- See investment performance
- Check contributions

You should review this information regularly.

8.2. Right to Change Investment Allocation

You may:

- Move money between sub-funds
- Reduce or increase risk within allowed limits

This must follow age-based exposure limits.

8.3. Right to Switch Pension Fund Manager

You may change your PFM.

Your savings will transfer.

You do not lose money by switching.

No switching charges are allowed under the Scheme.

8.4. Right to Portability

Your pension account stays with you.

It is not tied to one department or your government service.

8.5. Legal Protection of Your Savings



Your pension money:

- Is separate from Government funds
- Is separate from PFM funds
- Is regulated by SECP
- Cannot be used for other purposes

Your retirement savings are legally protected.

9. Your Responsibilities

⇒ **Open Your Account Immediately**

Do not delay registration.

Delays reduce investment time.

⇒ **Check Your Payslip Every Month**

Confirm:

- 10% deduction
- Correct amount

If something is wrong, report immediately.

⇒ **Check Your Pension Statement**

Confirm:

- Contributions credited
- Investment allocation correct

⇒ **Keep Your Details Updated**

Update:

- Address
- Phone number
- Email
- Nominee

⇒ **Use Only Official Channels**

Do not:

- Share login details
- Use unofficial agents
- Trust informal advice

Always use PPF or official contacts of PFMs.

10. Important Do's and Don'ts

⇒ Do:

- Open account early
- Understand investment basics
- Think long-term
- Keep written record of complaints
- Review statements annually

⇒ Don't:

- Panic over short-term market fluctuations
- Ignore missing contributions
- Delay nominee updates
- Try to withdraw money during service
- Try to exceed allowed risk limits

11. Grievance Redress Mechanism

This section explains clearly:

- When to raise a complaint
- Who to contact
- How the complaint will be handled
- What timelines apply
- How complaints are recorded and tracked

Employees should report pension-related issues early. Most problems are procedural and can be resolved quickly if addressed in time.

11.1. Key Principles of the Grievance System

The grievance mechanism is based on the following principles:

- Early reporting prevents escalation.
- Written communication ensures clarity.
- All complaints must be acknowledged.
- Resolution should be time-bound.
- Employees must be informed if delays occur.
- Records must be maintained for audit and oversight.

11.2. When Should You Raise a Complaint?

You should raise a complaint if you experience any of the following:

- Your pension account has not been opened after registration.
- Salary has been processed but no 10% pension deduction appears.
- Pension deduction appears on payslip but is not credited to your pension account.
- Contribution amount is incorrect.
- Investment allocation does not match your selection.
- You are unable to log into your pension account.
- Your request to switch Pension Fund Manager (PFM) is delayed.
- Nominee update is not processed.



- Insurance claim processing is delayed.
- Any other pension-related issue.

11.3. Step-by-Step Complaint Process

Step 1 – Contact Your Department / DDO

If the issue relates to salary deduction or payroll:

First contact your Department or Drawing & Disbursing Officer (DDO).

The DDO is responsible for:

- Ensuring 10% deduction from basic pay
- Correct payroll coding
- Submission of required forms to AG office

Many issues are resolved at this level.

Step 2 – Contact Punjab Pension Fund (PPF)

If the issue is not resolved at department level within a reasonable time, contact PPF.

You must provide:

- Name
- CNIC
- Pension Account Number
- Department
- Clear description of issue
- Copies of relevant documents (payslip, statement, etc.)

PPF will coordinate with:

- Your Department
- Accountant General (AG) Punjab
- Pension Fund Manager (PFM)

PPF acts as the central coordination body for DCPS matters, and can be reached through:

Website: <https://ppf.gop.pk/>

Email: info@ppf.gop.pk

Number: (UAN) 111-773-111

Step 3 – Escalation to Finance Department

If no response or resolution is received within 15 working days, you may escalate the matter to the Finance Department through official channels.

When escalating, attach:

- Date of original complaint
- Copy of email or submission
- Reference number (if any)
- Any responses received

Always keep written records. Do not rely only on verbal communication.

11.4. Standard Timelines

The following timelines apply to pension complaints:

- Acknowledgement of complaint: **Within 3 working days**
- Resolution target: **Within 15 working days**

If additional time is required due to complexity, you will be informed along with reasons.

11.5. Grievance Submission Form

All complaints should be submitted using the standard form given at Annex-A

Annex – A: Grievance Submission Form

A. Employee Information	
Field	Details to be Filled by Employee
Employee Name	
CNIC Number	
Pension Account Number	
Department	
Designation	
Employee / Personal Number	
Mobile Number	
Email Address	
B. Type of Complaint	
(Tick one box)	Complaint Category
<input type="checkbox"/>	Account not opened
<input type="checkbox"/>	Contribution not deducted from salary
<input type="checkbox"/>	Contribution deducted but not credited to pension account
<input type="checkbox"/>	Incorrect contribution amount
<input type="checkbox"/>	Wrong investment allocation
<input type="checkbox"/>	Delay in switching Pension Fund Manager
<input type="checkbox"/>	Nominee update not processed
<input type="checkbox"/>	Insurance claim delay
<input type="checkbox"/>	Other (please specify below)
If “Other”, please specify:	



C. Description of Issue	
What happened	
When the issue started	
What action has already been taken	
D. Documents Attached	
(Tick applicable boxes)	Document
<input type="checkbox"/>	Payslip
<input type="checkbox"/>	Pension account statement
<input type="checkbox"/>	Appointment / Joining letter
<input type="checkbox"/>	Previous complaint correspondence
<input type="checkbox"/>	Other (specify)
Other documents description:	
E. Declaration	
I confirm that the information provided above is correct to the best of my knowledge.	
Employee Signature	
Date of Submission	



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