



Frequently Asked Questions (FAQs) Defined Contribution Pension Scheme (DCPS)



Basic Questions

Q1. How can I create my pension account?

Ans) Visit <https://pension.punjab.gov.pk> and click on 'Sign Up' to register. You can also watch the **video tutorial** for guidance.

URL: https://drive.google.com/file/d/1Ngz64y2Ed3kGZCoGMmsrUqMzm8NZ1_Vr/view?usp=drive_link
For further assistance, please call our UAN: 111-773(PPF)-111.

Q2. Do I need to visit the Punjab Pension Fund Office(s) for opening my pension account?

Ans) On-site visit is not required. Simply visit <https://pension.punjab.gov.pk> and click 'Sign Up' to register. For further assistance, please call our UAN: 111-773(PPF)-111.

Q3. What will be my monthly contribution?

Ans) The employee will contribute **10%** and the employer will contribute **12%** of the employee's basic monthly salary, making a total contribution of **22%** of the employee's basic salary.

Q4. How can I check the current balance in my pension account?

You can log on to the portal at <https://pension.punjab.gov.pk> or call our **UAN 111-773(PPF)-111** to get your account details.

Q5. Can I lodge a complaint on the online pension system?

Ans) Yes, you can submit a complaint through the 'Complaints & Queries' tab on the portal. For further assistance, please call our UAN: 111-773(PPF)-111.

Q6. Can I withdraw my amount before retirement?

Ans) No, you can't. However, as per Rule 5(3) of the DCPS Rules, an employee leaving service before retirement age may notify PPF in writing to either transfer their pension account to another fund or withdraw the accumulated balance, subject to VPS Rules 2005 and applicable laws.

Q7. Can I withdraw the full amount from my pension account upon retirement?

Ans) You may only withdraw up to 25% of your accumulated balance at retirement, while the remaining 75% will be invested to provide monthly pension payments for 20 years following your retirement. By the end of the 20th year after retirement, you will have received everything from your pension account, i.e., the principal amount of 75% and the income generated from investments during that period.

Q8. In case of death, can my spouse or next-of-kin get the entitlement to my pension payments?

Ans) Yes, the total amount will be distributed among the **legal heirs** as per the **succession certificate** issued under applicable law.

Q9. What documents are required at the time of account opening?

Ans) A scanned copy of your **Appointment Letter** and **CNIC** (both front and back sides) are required.

Q10. I forgot my password. Can I reset or retrieve it?

Ans) Yes, click on **“Forgot Password”** on the sign-in page and enter your email address. A new password will be sent to your registered email.

Q11. Can I change my account password?

Ans) Yes, after signing in, click on your **profile photo**, then select **“Change Password”** to update it.

Q12. Can I update my personal information on the portal?

Ans) The information entered on the portal will be **read-only** for you, but if any correction is needed, you can submit a request through the **‘Complaints & Queries’** tab or call our UAN 111-773(PPF)-111.

Q13. Is it mandatory to register a pension account under the DCPS scheme?

Ans) Yes, registration is mandatory. Without it, your **salary will not be released**. The Accountant General will process your First Salary only after receiving your pension account details.

Q14. What are the benefits of this DCPS scheme?

Ans) The DCPS scheme offers several benefits, including:

- **Investment control** with Conventional or Shariah-compliant fund options
- **Transparency** to monitor performance and market-based returns
- **Account portability** proving the privilege to transfer from one Pension Fund Manager to another during or after end of services
- **No vesting period**, the employee will have ownership of the accumulated balance in the account.
- **Built-in insurance** covering death and disability
- **Tax-free withdrawals**
- **Monthly employer contributions**
- **Online portal** for easy access

Q15. My account is not verified yet. How long will it take to get it verified?

Ans) Your relevant department’s nominated **Focal Person / DDO (Drawing & Disbursing Officer)** will verify your account sign-up credentials within **two working days**. Please speak with your concerned DDO to verify your credentials. Upon verification and completion of all procedural formalities, your account will be opened.

Advanced Questions

Q1. What is a Pension Fund Manager?

Ans) A Pension Fund Manager is an **Asset Management Company (AMC)** or a **Life Insurance Company** authorized by the **SECP** (Securities & Exchange Commission Pakistan) (please refer to Q3) to manage investments of pension contributions held with a third-party. They are liable to fulfill all conditions set by the SECP in order to ensure the security of the pensioners. These funds are invested through various Sub-Funds (please refer to Q6), details of which will be made available by your Pension Fund Manager.

Q2) What is an Asset Management Company (AMC)?

Ans) An Asset Management Company (AMC), regulated by the Securities and Exchange Commission of Pakistan (SECP) (please refer to Q3), is a financial institution licensed to manage investment funds on behalf of individuals, institutions, or corporate clients. These funds can include mutual funds, pension funds, and other collective investment schemes.

Q3. What is SECP?

Ans) The Securities and Exchange Commission of Pakistan (SECP) is the central regulatory authority overseeing Pakistan's corporate sector, capital markets, insurance, non-banking financial companies, and pension funds. Its core functions include investor protection, promoting transparency, ensuring compliance with legal frameworks, and fostering fair and efficient financial markets.

Q4. What is Central Depository Company (CDC)?

Ans) It is a securities depository in Pakistan that provides electronic book entry of services for security instruments such as bonds, stocks, and other financial instruments. CDC also helps eliminate the risk of losses, including theft, forgery, and the risks associated with physical security certificates.

Q5. Are there different account options available under the DCPS scheme?

Ans) Yes, for investment of your pension contributions, you can choose between a **Conventional Fund** or an **Islamic (Shariah-compliant) Fund**.

Q6. What is a Pension Sub-Fund?

Ans) A Pension Sub-Fund is a component of a larger pension fund, typically used in Voluntary Pension Schemes (VPS). It allows participants to allocate their contributions among different investment strategies, such as equity, debt, or money market instruments, based on their risk preferences and retirement goals. (Please refer to Q8 to Q11)

Q7) What are the Sub-Funds included in the DCPS Scheme?

Ans) In the DCPS Scheme, there are four types of Sub-Funds, which include:

1. Money Market Sub-Fund (please refer to Q8)
2. Debt Sub-Fund (please refer to Q9)
3. Equity Sub-Fund (Index) (please refer to Q10) and
4. Equity Sub-Fund (Active) (please refer to Q11)

Please note that the contributions will be invested only in the Money Market Sub-Fund for the first three years.

Q8) What is a Money Market Sub-Fund?

Ans) A Sub Fund where investment is earned via interest for shareholders while still keeping a Net Asset Value (NAV), is called a Money Market Sub-Fund. Money Market Sub-Fund aims to provide regular income along with capital preservation. The Money Market's portfolio comprised short-term securities (less than a year) with an average duration of the sub-fund not exceeding 90 days. For the first three years, investments will be allowed to be made in the Money Markets only.

Q9) What is a Debt Sub-Fund?

Ans) Debt financing means funds borrowed by a business. The Debt Sub-Fund aims to preserve capital while delivering income. Investment is primarily made through tradable debt securities, such as bonds and treasury bills, with an average duration of the Sub-Fund's investment portfolio not exceeding five years.

Q10) What is an Equity Sub-Fund (Index)?

Ans) An Equity Sub-Fund (Index) is a type of equity fund that passively tracks a stock market index (such as the KSE-100) rather than trying to outperform it through active management.

Q11) What is an Equity Sub-Fund (Active)?

Ans) An Equity Sub-Fund (Active) is a type of investment fund that primarily invests in equities (stocks/shares of listed companies) but is actively managed by professional Fund Managers. Unlike an Index Fund (which passively tracks a benchmark like KSE-100) with the aim of outperforming the market benchmark.

Q12) What is an Allocation Policy?

Ans) A Pension Fund Manager offers four allocation schemes under the DCPS scheme for an employee to choose from. The monthly contributions made towards the scheme shall be allocated among the units of Sub-Funds at Net Asset Value (NAV), as per the selection.

Q13. Do I have a choice to select the Sub-Scheme?

Ans) Initially, your funds are invested in **Money Market Sub-Funds**. After three years, you can choose between a **Default Scheme** or a **Customized Scheme**:

1. Money Market Sub-Fund
2. Debt Sub-Fund
3. Equity Sub-Fund (Index), and
4. Equity Sub-Fund (Active)

Q14. What is a Default Scheme?

Ans) Upon selection of an Asset Manager by the employee, the Pensioner has the right to choose either of the schemes (Default or Customized). If an employee does not select an Allocation Policy, the pension account will be managed under the Default Allocation Policy defined in Third Schedule of the DCPS Rules. In the first three years you can invest only in the Money Market.

Q15. What is a Customized Scheme?

Ans) After the first three years, where employee funds will only be invested in the Money Market Sub-Fund, the employee shall determine the Allocation Policy for the contributions in his/her pension account among the Sub-Funds, both Equity and Fixed Income, as per the exposure limits specified in the Second Schedule of the DCPS Scheme. Please refer to the DCPS Rules and your DDO for further details. Please

note that the Customized Scheme will be available after three years, as the Default Scheme will be operational initially.

Q16) What happens if an employee opts for early retirement?

Ans) An employee taking early retirement may notify the Punjab Pension Fund in writing to exit DCPS and transfer their pension account. The accumulated balance can be withdrawn, subject to DCPS Rules and other applicable laws.