



THE PROVIDENT FUNDS ACT, 1925



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SCHEDULE. **List of institutions**

THE PROVIDENT FUNDS ACT, 1925

¹ACT No. XIX OF 1925

[27th August, 1925]

An Act to amend and consolidate the law relating to Government and other Provident Funds.

WHEREAS it is expedient to amend and consolidate the law relating to Government and other Provident Funds ; It is hereby enacted as follows;—

¹For statement of Objects and Reasons, see Gazette of India, 1924, Pt. V, page 122.

This Act has been applied to Phulera in the Excluded Area of Upper Tanawal to the extent the Act is applicable in the N.W.F.P. and also extended to the Excluded Area of Upper Tanawal N.W.F.P. other than Phulera with effect from such date and subject to such modifications as may be notified.—see N.W.F.P. (Upper (Tanawal) Excluded Area) Laws Regulation, 1950.

It has also been extended to the Leased Areas of Baluchistan, see the Leased Areas (Laws) Order, 1950 (G.G.O. 3 of 1950) : and applied in the Federated Areas of Baluchistan, see Gazette of India, 1937, Pt. I. p. 1499.

The Act has been extended and shall be deemed to have been so extended on the 14th October, 1955, to the whole of Pakistan by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s.3.

1. Short title, extent and commencement .—(1) This Act may be called the Provident Funds Act, 1925.

¹[(2) It extends to the whole of Pakistan.]

(3) It shall come into force on such date ²as the ³[Federal Government] may, by notification in the ⁴[official Gazette], appoint.

2. Definitions. In this Act, unless there is anything repugnant in the subject or context,—

- (a) “compulsory deposit” means a subscription to, or deposit in, a Provident Fund which, under the rules of the Fund, is not, until the happening of some specified contingency, repayable on demand otherwise than for the purpose of the Payment of Premia in respect of a policy of life insurance ⁵[or the payment of subscriptions or premia in respect of a family pension fund], and includes any contribution ⁶* * * and any interest or increment which has accrued under the rules of the Fund on any such subscription, deposit or contribution, and also any such subscription, deposit, contribution, interest or increment remaining to the credit of the subscriber or depositor after the happening of any such contingency ;
- (b) “contribution” means any amount credited in a Provident Fund, by ⁷[any authority administering the Fund], by way of addition to, ⁸[a subscription to, or deposit or balance at the credit of an individual account in], the Fund; and “contributory Provident Fund” means a Provident Fund the rules of which provide for the crediting of contributions ;
- (c) “dependant” means any of the following relatives of a deceased subscriber to, or a depositor in, a Provident Fund, namely, a wife, husband, parent, child, minor brother, unmarried sister and a deceased son's widow and child, and, where no parent of the subscriber or depositor is alive, a paternal grand-parent;
- (d) “Government Provident Fund” means a Provident Fund, other than a Railway Provident Fund, constituted by the authority of ⁹[the Secretary of State, the ¹⁰[Federal Government], the Crown Representative or any Provincial Government] for any class or classes of ¹¹[persons in the service of the State]

¹ Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s.3 and 2nd Sch. (with effect from the 14th October, 1955) for the original sub-section (2), as amended by A.O., 1949 and the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), s.8.

² The 1st April, 1926; see Gen. R. & O.

³ Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government” which was previously amended by A.O., 1937, for “G.G. in C.”.

⁴ Subs. by A.O., 1937 for “Gazette of India”.

⁵ Ins. by the Provident Funds (Amdt). Act, 1930 (1 of 1930), s.2.

⁶ The words “credited in respect of any such subscription or deposit” were omitted., *ibid*.

⁷ Subs. by the Provident Funds (Amdt.) Act, 1925 (28 of 1925), s.2, for “the authority by which the Fund has been constituted”.

⁸ Subs. by Act 1 of 1930, s.2, for “or otherwise in respect of, a subscription to, or deposit in”.

⁹ Subs. by A.O., 1937, for “the Govt.”.

¹⁰ Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

¹¹ The original words “its employees” were first subs. by the Repealing and Amending Act, 1942 (25 of 1942), s.3 and 2nd Sch. And then amended by A.O., 1961, Art. 2 and Sch. (with effect from the 23rd March, 1956), to read as above.

or¹[of persons employed in educational institutions or employed by bodies existing solely for educational purposes], ²[and references in this Act to the Government shall be construed accordingly] ;

- (e) "Provident Fund" means a fund in which subscriptions or deposits of any class or classes of employees are received and held on their individual accounts, and includes any contributions ³* * * and any interest or increment accruing on such subscriptions, deposits or contributions under the rules of the Fund ;

⁴[(f) "Railway administration" means—

(i) any company administering a railway or tramway in ⁵[Pakistan] ⁶[under a Pakistan law], or under contract with the ⁷[Government], or

⁸[(ii) the manager of any railway or tramway administered by the Federal Government or the manager of any tramway administered by a Provincial Government; and].

- (g) "Railway Provident Fund" means a Provident Fund constituted by the authority of a railway administration for any class or classes of its employees.

3. Protection of compulsory deposits.-(1) A compulsory deposit in any Government or Railway Provident Fund shall not in any way be capable of being assigned or charged and shall not be liable to attachment under any decree or order of any Civil, Revenue or Criminal Court in respect of any debt or liability incurred by the subscriber or depositor, and neither the Official Assignee nor any receiver appointed under the Provincial Insolvency Act, 1920, shall be entitled to, or have any claim on, any such compulsory deposit.

(2) Any sum standing to the credit of any subscriber to, or depositor in, any such Fund at the time of his decease and payable under the rules of the Fund to any dependant of the subscriber or depositor, or to such person as may be authorised by law to receive payment on his behalf, shall, subject to any deduction authorised by this Act and, save where the dependant is the widow or child of the subscriber or depositor, subject also to the rights of an assignee under an assignment made before the commencement of this Act, vest in the dependant, and shall, subject as aforesaid, be free from any debt or other liability incurred by the deceased or incurred by the dependant before the death of the subscriber or depositor.

4. Provisions regarding repayments.-(1) When under the rules of any Government or Railway Provident Fund the sum standing to the credit of any subscriber or depositor, or

¹ Subs. by the Provident Funds (Amdt.) Act, 1927 (7 of 1927), s. 2, for "for teachers in educational institutions".

² Ins. by A.O., 1937.

³ The words "credited in respect of such subscriptions or deposits" omitted by the Provident Funds (Amdt.) Act, 1930 (1 of 1930), s.2.

⁴ Subs. by A.O., 1937, for the original definition.

⁵ Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s.3 and 2nd Sch. (With effect from the 14th October, 1955), for "the Provinces and the Capital of the Federation" which had been subs. by A.O., 1949, for "British India".

⁶ Subs. by A.O., 1961, Art. 2 and Sch., for "either under a special Act of Parliament of [a Pakistan law]" (with effect from the 23rd March, 1956), The words in crotchets were subs. by the Federal Laws (Revision and Declaration) Act, 1951 (26 of 1951), s. 4 and 3rd Sch., for "an Indian Law".

⁷ Subs. by A.O., 1961, Art. 2, for "Crown" (with effect from the 23rd March, 1956).

⁸ Subs. by F.A.O., 1975, Art. 2 and Sch. for sub-clause (ii).

the balance thereof after the making of any deduction authorised by this Act, his become payable, the officer whose duty it is to make the payment shall pay the sum or balance, as the case may be, to the subscriber or depositor, or, if he is dead, shall—

- (a)** if the sum or balance, or any part thereof, vests in a dependant under the provisions of section 3, pay the same to the dependant or to such person as may be authorised by law to receive payment on his behalf; or
- (b)** if the whole sum or balance, as the case may be, does not exceed five thousand rupees, pay the same, or any part thereof, which is not payable under clause (a), to any person nominated to receive it under the rules of the Fund, or, if no person is so nominated, to any person appearing to him to be otherwise entitled to receive it ; or
- (c)** in the case of any sum or balance, or any part thereof, which is not payable to any person under clause (a) or clause (b) pay the same,—
 - (i)** to any person nominated to receive it under the rules of the Fund, on production by such person of probate or letters of administration evidencing the grant to him of administration to the estate of the deceased or a certificate granted under the ¹[Succession Act, 1925, or under the ²[Sind Regulation VIII of 1827], entitling the holder thereof to receive payment of such sum, balance or part, or
 - (ii)** where no person is so nominated, to any person who produces such probate, letters or certificate;

Provided that, where the whole or any part of any sum standing to the credit of the subscriber or depositor has been assigned to any other person before the commencement of this Act, and notice in writing of the assignment has been received by the officer from the assignee, the officer shall, after making any deduction authorised by this Act and any payment due under clause (a) to or on behalf of the widow or children of the subscriber or depositor—

- (i)** if the subscriber or depositor or, if he is dead, the person to whom in the absence of any valid assignment the sum or balance would be payable under this sub-section gives his consent in writing, pay the sum or part or the balance thereof, as the case may be, to the assignee, or
- (ii)** if such consent is not forthcoming, withhold payment of the sum, part or balance, as the case may be, pending a decision of a competent Civil Court as to the person entitled to receive it.

(2) The making of any payment authorised by sub-section (1) shall be a full discharge to the Government or the railway administration, as the case may be, from all liability in respect of so much of the sum standing to the credit of the subscriber or depositor as is equivalent to the amount so paid.

¹ Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s.3 and Sch. II for "Succession Certificate Act, 1889".

² Subs. *ibid.*, for "Bombay Regulation VIII of 1827".