

Invitation to National Tripartite Dialogue Consultative Meeting on EOAB Law & its Current Legal Implications

Monday, 28th December, 2020. 03 pm to 07 pm
Ballroom B&C, Hotel Movenpick Karachi

The Employee's Old Age Benefits (EOAB) Act 1976 was enforced with effect from April 01, 1976, to achieve the objective of Article 38 (C) of the Constitution, by providing for compulsory social insurance. Consequent upon 18th Constitutional Amendment, where all labour-related institutions were devolved to the Provincial Governments, the EOBI law was fragmented. The Government of Sindh promulgated The Sindh Employees' Old Age Benefits Act 2014 repealing the Federal Act 1976 to the extent of the province of Sindh. The Federal law was applicable to all other provinces with virtually no amendment.

It is, however, important to note that the definition of minimum wage in the Federal and Provincial laws is common. Wages as defined under these laws referred to minimum wages for unskilled workers notified under the Minimum Wages Ordinance 1961 / Minimum Wages for unskilled workers Ordinance 1969 which is Rs. 8,000. Contribution to EOABI is, therefore, legally payable @ 6% of the Minimum Wage under that law which comes to Rs. 480.

The Minimum Wage Ordinance was amended by the Federal Government and the rate of minimum wage was increased from the year 2012, but this notification was only applicable to Islamabad capital territory. Federal EOBI institution, however, notified to all the provinces that the minimum wage increased for ICT is applicable throughout the country which has been challenged by the Employers' Federation of Pakistan in all the four provincial High Courts. The High Courts of Lahore and Peshawar declared the notification null and void, whereas, the petition is pending for disposal in the High Courts of Sindh and Balochistan with an interim restrictive order.

The net effect of the above legal pandemonium is that, enterprises are paying EOAB contribution to the Federal EOABI at different rates and unfortunately due to the absence of a law Federally applicable after the 18th amendment to all the provinces, uniformity in the matter does not prevail among the provinces. On the other hand, number of workers are getting close to the age of retirement in many enterprises and their claims for pension amount becomes very low when the calculation is based on the monthly contribution of Rs. 480.

Till all the litigations are not disposed off and the Federal Government does not come out with a Federal law applicable to all provinces, we need to find a solution. Consultations have been held at the Federal and interprovincial ministerial level in which Government, Employers and Workers have been deliberating on this issue to find a viable solution. EFP suggested that till such time the provinces are not ready to execute the law in their provinces by putting proper institution in place and overcoming the issues of dealing with workers belonging to different provinces particularly in the case of establishments having trans provincial operations, the institution of the EOAB should remain with the Federal Government, which recommendation has been in principle agreed by the stakeholders.

Since lot of time has lapsed in the execution of this decision and the matter is already being looked into by ECC and is in the process of legislation as informed by official sources, Employers' Federation of Pakistan has felt it necessary to convene a national tripartite consultative dialogue on this issue among the stakeholders.



EFP is, therefore, happy to inform you through this letter that the **National Tripartite Dialogue Consultative Meeting** has been convened in collaboration with **International Labour Organization (ILO)** on **28th December 2020** at **Ballroom B&C, Hotel Movenpick Karachi** from **03 pm to 07 pm**. The **Chief Guest** of this event is **Syed Zulfiqar Abbas Bukhari, Special Assistant to the Prime Minister on MOPHRD** and **Guests of Honour** is **Dr. Muhammad Hashim Popalzai, Federal Secretary MOPHRD** and **Mr Azhar Hameed, Chairman EOBI**.

Since this tripartite social dialogue will provide an opportunity to employers, workers and government to voluntarily solve an important issue concerning the long-term interest of employers and workers, all organizations covered under EOAB laws are invited to send their representative to this consultative meeting by registering online on the following link: <https://members.efp.org.pk/forms/event-form.php>.

In case of those employers who are unable to attend the face-to-face meeting, particularly those outside Karachi, will have the opportunity to attend the meeting online by Zoom. Enterprises who are interested to join online are also requested to register online in the link mentioned above.

Your earliest confirmation but not later than **24th December, 2020** is requested so that we can make necessary arrangements accordingly.

With warm regards,

ISMAIL SUTTAR
President

ZAKI AHMED KHAN
Vice President