



11 October 2021

**EFP BULLETIN # 26 ON SESSI  
PROGRESS IN SOCIAL SECURITY CASE**

It has been brought to our notice that SESSI is issuing letters to companies, demanding contribution at the enhanced rate and asking them to make payment of arrears of contribution from July 2014 onwards on the basis of Minimum Wage.

Please note that the Hon'ble Supreme Court of Pakistan has ruled in clear terms that till 12-04-2016, the rate of contribution is 6% of the maximum Rs. 10,000, from 13-04-2016 to 18-04-2018 rate of contribution is payable at the rate of 6% of Minimum wage of time, from 19-05-2018 till date, the contribution rate is also 6% of the Minimum Wage. The rate of contribution from 13-04-2016 to 18-05-2018 was not available in law, therefore, Hon'ble Supreme Court has by way of interpreting a beneficial statute has ruled that the rate would be 6% of the Minimum Wage.

In view of the above, it is clear that the demand of SESSI to pay arrears of contribution from July 2014 onwards on the basis of Minimum Wage is incorrect and does not go in line with the decision of the Hon'ble Supreme Court of Pakistan.

It is also brought to our notice that the SESSI has started demanding current contributions on the basis of the Minimum Wage of Rs. 25000.

Since Notification was issued by the Sindh Government regarding the Minimum Wage increase to Rs. 25,000/- and the matter is pending before the Hon'ble High Court of Sindh which has reserved its judgment in the matter, there are two options available to the enterprises:

1. The SESSI Contribution should be paid on the basis of Old Minimum Wage & the same may be submitted manually with a cheque along with the statement at SESSI's office by hand if the same is not accepted through the portal.
2. The payment can be made on the basis of PKR 25000 under protest with the condition that the excess amount will be adjustable in line with the decision of the Hon'ble High Court of Sindh.

Members are, therefore, requested to respond to SESSI's letter in light of the above advice.

With warm Regards;

**Syed Nazar Ali**  
Secretary-General