



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

Service Rules (Theory)

AGP | CGA

Winter Exam-2025

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Winter Exam-2025 Solutions – Service Rules Theory

Q.1. The pension contribution rate is **33 1/3%** of the average of the minimum and maximum pay for the employee's pay scale, plus any other pension-eligible allowances.

- This rate applies to all federal government employees sent on foreign service, whether inside Pakistan or abroad.
- Normally, the **foreign employer** pays the pension contribution.
- If the deputation started **before January 1, 1982**, either the foreign employer or the employee may pay it, based on the agreed terms.
- If the employee is sent **abroad** and the foreign employer refuses to pay, then the **employee must pay it** in foreign currency through a bank.
- For employees from **autonomous bodies** working in government departments, the **government department** may pay the contribution to the parent organization, if certain conditions are met.

Q.2. (Manual of BF & GI Rules Edition 2023)

Detail of benefits to be Paid on Medical Retirement:

If an employee retires from service on medical grounds with at least 80% disability, he is paid following benefits:-

1. A monthly grant from Rs. 4,000 to Rs. 10,100 per month according to pay slabs.
2. A lump sum grant ranging from Rs. 150,000 to Rs. 390,000 according to pay slabs.
3. If the invalid retired employee dies, his monthly grant is transferred to his/her spouse for life. Unlike family pension the amount of grant is not reduced for family members. If there is no spouse or the spouse dies, the grant is transferred to other eligible family members for remaining period of 15 years.
4. The family is also paid burial charges of Rs.10,000 on death of the invalid retired employee

Benefits Paid on Death After Retirement

1. The employees covered under the schemes of the FEB & GIF contribute to the funds upto their retirement. If any employee dies after retirement, his spouse is paid monthly benevolent grant for life according to the prescribed rates. In case there is no spouse the monthly grant is paid to other eligible family members for a period of fifteen years.
2. The family is also paid Rs.10,000/- as burial charges.
3. The family receiving monthly grant is eligible to claim marriage grant of Rs.50,000/- on marriage of one child if the employee has not received that grant during service or after retirement. In case of orphan daughter, the amount of grant would be Rs. 100,000.

Q.3. (Para 2.67 to 2.69, Page-52, Chap-II, DDO Hand Book)

During the course of financial year Head of a Department or a Disbursing Officer may find that expenditure under a particular object is likely to be less than the provision in the budget due to the following causes:

- (a) actual postponement of expenditure;
- (b) real savings due to economy; and
- (c) normal savings due to original over-estimating or on account of the usual administrative causes.



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Actual postponement of expenditure:

The savings under this head should not be utilized by re-appropriation to meet new items of expenditure without the sanction of the competent authority.

Real savings due to economy

If savings have been affected deliberately to provide for an unforeseen emergency, these should not ordinarily be utilized for new items of expenditure. All anticipated savings should be surrendered to the Government immediately they are foreseen but not later than 31st March of each year in any case, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time. However, savings accruing from funds provided after 31st March shall be surrendered to Government immediately, they are foreseen but not later than 30th June of each year. The savings should not be held in reserve to meet possible future excesses.

It is never desirable to spend the money in a hurry or in ill-considered matter merely because it is available or in order to avoid the lapse of a grant. It is in the interest of public service that if a grant cannot be utilized profitably it should be surrendered. A rush of expenditure particularly in the closing months of the financial year is a breach of the principles of financial propriety.

- Q.4.** No, this understanding is not consistent with the fundamental principle of Travelling Allowance.
- a** Travelling Allowance is a compensatory allowance granted to meet personal expenditure necessitated by the special circumstances in which duty is performed. According to Fundamental Rule 44, the amount of allowance has to be so regulated that it is not, on the whole, a source of profit to the recipient.
- Q.4.** As a controlling officer, you have a major responsibility in scrutinizing the correctness of the
- b** T.A. claim. Specifically, you must satisfy yourself before permitting a claim for a higher class of accommodation (under S.R. 38) that the Government servant actually purchased a through ticket at the rate claimed and that it was not possible to purchase a through ticket at a cheaper rate. The audit officer will merely perform a test check, but the primary responsibility for ensuring accuracy and adherence to rules lies with the controlling officer. If a government servant has to travel in a higher or lower class of accommodation in the interest of public service, this fact should be duly communicated to the audit either in the T.A. bill or through a separate covering letter.
- Q.5.** According to Rule 6(1) of the General Provident Fund Rules, all temporary or officiating Government servants who have completed two years of continuous temporary and/or officiating service are required to join the Fund as compulsory subscribers. Therefore, Mr. Ali must now become a compulsory subscriber. Executive authorities should inform the Accounts Officer concerned as soon as Mr. Ali becomes liable to subscribe.
- Q.6.** Since Ms. Amna was appointed by initial recruitment and failed to pass a prescribed examination
- a** before the expiry of her probation period, she shall be discharged from service
- Q.6.** Yes, Mr. Junaid needs prior approval. Where employment is sought by a civil servant within two
- b** years of the date of his retirement, he shall obtain the prior approval of the prescribed authority.
