

## **Roshan Pension Plan Under** **UBL Retirement Savings Fund & Al-Ameen Retirement Savings Fund** **Frequently Asked Questions (FAQs)**

### **1. What is Roshan Pension Plan?**

The Roshan Pension Plan (RPP) is based on Voluntary Pension Scheme run by a licensed Pension Fund Manager who manages the voluntary contributions made by a participant, whether employed or not, or by an employer on his behalf, based on Voluntary Pension Scheme Rules, 2005. It is a saving cum post-retirement income mechanism where an individual saves from his/her current income in order to retain financial security and comfort in terms of regular income after retirement. Retirement age from VPS is 25 years from the date of joining VPS or between 60 and 70 years (whichever years).

RPP can provide a steady income given to a person (usually after retirement from Pension scheme). RPP is a saving, or a contribution, which is collected during the working life of an RDA holder and invested for gains/profit. After the opted retirement date, the account holder is entitled to a steady monthly income from Regular or Customized Income Payment Plan, built up from the earlier savings.

### **2. Who is a Participant?**

A Participant is a Pakistani individual (Non-Resident Rupee Value Account-NRVA holder) who has contributed or on behalf of whom contributions are made into the pension scheme.

### **3. Who is the Pension Fund Manager?**

Pension Fund Manager means an Asset Management Company or a Life Insurance Company duly authorized & licensed by the Securities and Exchange Commission of Pakistan (SECP) to efficaciously manage the contributions made by or on behalf of participants in Pension Scheme(s) and meet such other conditions as may be prescribed from time to time by the SECP;

### **4. Is RDA Investor eligible for investment in RPP?**

All Roshan Digital Account holders with NRVA having a valid CNIC & NICOP and legitimate source of income in Pakistan or outside Pakistan, are eligible to invest in RPP as per Rule 2 of the Voluntary Pension Scheme rules 2005. RDA holders having POC are not eligible to invest in RPP.

### **5. What is the minimum and maximum age limit for to start investing in RPP?**

Minimum age is 18 years and Maximum age is 70 years.

### **6. What are UBL Retirement Savings Fund (URSF) & Al-Ameen Retirement Savings Fund (AIRSF)**

UBL Retirement Savings Fund (URSF) & Al-Ameen Retirement Savings Fund (AIRSF) (a Shariah Compliant Pension scheme) are Voluntary Pension Funds registered under Voluntary Pension System Rules, 2005 and managed by UBL Fund Managers Limited (rated 'AM1' by VIS, one of the highest Asset Manager Quality rating as the licensed Pension Funds Manager).

### **7. UBL Fund Managers Limited.**

Incorporated on April 03, 2001, UBL Fund Managers Ltd (UBL Funds) is registered as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and NBFC Entities Regulations, 2008 with the Securities & Exchange Commission of Pakistan (SECP) to carry on the business of Asset Management, Pension funds Management and Investment Advisory services. As an Investment Adviser, we are authorized to manage discretionary and non-discretionary portfolios for its international clients. UBL Funds is licensed as a Pension Funds Manager under Voluntary Pension System Rules, 2005 and manages two Pension Schemes (Conventional & Shariah Compliant).

### **8. How to contribute in RPP?**

NRVA holders can open Pension Accounts in URSF and AIRSF by visiting the following link:  
<https://www.ubldigital.com/UBL-Digital/UBL-Netbanking>

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**9. What is the minimum initial and subsequent amount to contribute in URSF and AIRSF?**  
 Rs. 500/-.

**10. How should I calculate my regular contribution in Pension Fund?**

In order to properly build a Pension Fund, one should have to first determine the amount required on a monthly basis after the time of retirement. In addition, one will have to work out how much will he/she need to set aside on a monthly basis to come with a lump sum amount large enough to create an annuity, which provides a desirable monthly income after retirement.

**11. How is NAV calculated?**

A Pension Fund's Net Asset Value (NAV) represents the value per unit at a given point of time. The NAV is equal to the market worth of assets held in the portfolio of a Pension Fund, minus liabilities, divided by the number of units currently issued to investors.

NAV Per Unit = (Current Market Value of all the Assets – Liabilities) / Total Number of Units Outstanding

The sales and redemption price of units might be different from the NAV if there is an element of "Sales Load / Front End Load" or "Back End Load". The sale and redemption price is declared on a daily basis by the Fund Manager on its website(s).

**12. What are the different allocation schemes in RPP?**

An investment allocation scheme, which provides an opportunity to create a personalized Retirement Fund through regular contributions, with allocations adjusted according to the age & risk taking capacity of the investor.

It provides following options to the participants to select a Pension Allocation scheme according to their requirements:

**UBL Retirement Savings Fund**

Plans	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Commodity (Gold) Sub Fund
High Volatility	70%	20%	Nil	10%
Medium Volatility	40%	40%	15%	5%
Low Volatility	25%	60%	15%	Nil
Lower Volatility	Nil	50%	50%	Nil
Lifecycle Plan	Age based allocation (default Plan if no Plan selection)			
Customized Plan	0%-100%	0%-100%	0%-100%	0%-100%

**Al-Ameen Retirement Savings Fund**

Plans	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
High Volatility	75%	25%	Nil
Medium Volatility	40%	45%	15%
Low Volatility	15%	65%	20%
Lower Volatility	Nil	50%	50%
Lifecycle Plan	Age based allocation (default Plan if no Plan selection)		
Customized Plan	0%-100%	0%-100%	0%-100%

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**13. Can I change my allocation scheme?**

Yes, at any point of time (on a dealing day) during the year.

**14. In which avenues UBL Funds will invest the investor money?**

UBL Funds will invest the Pension Fund money in different Conventional & Shariah Compliant Equity, Debt and Money Market instruments with the aim to maximize return of participants. The Shariah Compliant AIRSF' investments are made under the supervision of Shariah Advisory Council comprising of Mufti Muhammad Najeeb Khan and Mufti Muhammad Hassaan Kaleem.

**15. What is the sales load?**

Sales Load fee under Roshan Pension Plan is up to 3%.

**16. What is the backend load?**

There is NO Backend Load under Roshan Pension Plan

**17. What is the Management fee for RPP?**

Management fee and total expenses can be charged as per SECP prescribed Total Expense Ratio limits as below:

<b>UBL Retirement Savings Fund (URSF)</b>	<b>Maximum Total Expense Ratio of Net Asset Value</b>
Money Market Sub Fund	Up to 2.0 % per annum
Debt Sub Fund	Up to 2.5 % p.a.
Equity Sub Fund	Up to 4.5 % p.a.
Commodity Sub Fund	Up to 2.5 % p.a.

<b>Al-Ameen Retirement Savings Fund (AIRSF)</b>	<b>Maximum Total Expense Ratio of Net Asset Value</b>
Shariah Complaint Money Market Sub Fund	Up to 2.0 % p.a.
Shariah Complaint Debt Sub Fund	Up to 2.5 % p.a.
Shariah Complaint Equity Sub Fund	Up to 4.5 % p.a.

**18. What is the rate of return on the funds?**

Rates of return under RPP are market driven, however, historical returns in various avenues of investment are considered for the purpose of illustrations. They can be referred from monthly Fund Manager Report (FMR) from UBL Fund Managers' and Al-Ameen Funds website.

<https://www.UBLFunds.com.pk/individual>

<https://www.AlAmeenFunds.com>

**19. What is the frequency of contribution?**

The participant can contribute any time at his/ her own convenience.

**20. What is the duration of profit/Gain? Monthly, quarterly or yearly?**

Gains & Profit will not be distributed to the participant, it will accumulate with the investment and after retirement participant can get the benefits. However, in case of early withdrawal of any amount it will be subject to deduction of applicable taxes under the prevalent law.

**21. What is the maturity period for RPP?**

The term of the allocation scheme would depend on the age of the investor, as the allocation scheme can mature any time between 60 and 70 years OR the age which he/she will be after 25 years from the date of first

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contribution into a VPS; whichever comes first. However, the participant is free to redeem as and when desired, with returns up to the day of redemption and payment of tax thereon (if applicable).

**22. After maturity how will I get benefits?**

All accumulated funds at the date of retirement of the participant will be available to him/her with the following options, namely:

- To withdraw *Tax-Free* up to fifty percent (50%) of the amount in his/ her individual pension account, as cash;
- To enter into a Regular or Customized Income Payment Plan (IPP) till the age of seventy-five years or earlier, according to an income payment allocation scheme, approved by the SECP. Disbursement of IPP is subject to applicable Tax laws OR to use the remaining amount to purchase an annuity from a Life Insurance Company / Family Takaful company of his/her choice.
- To withdraw full amount at the time of retirement from scheme, subject to tax\* applicable on 50% accumulated amount, while the rest 50% to be Tax-free.

*\*Average rate of income tax paid in last three (3) years.*

**23. What will happen if the participant dies or become disabled before maturity period of RPP?**

In case of death before retirement:

- All his/ her investment will be available to the nominated survivors as per Succession Certificate issued by the Court or NADRA with the following options:
- Withdraw his/her share of the amount subject to the conditions laid down in the Income Tax Ordinance 2001;
- Transfer his/her share of the amount into his existing or new individual pension account to be opened with the Pension Fund manager,
- Use his/her share of the amount to purchase an annuity on his/her life from a Life Insurance Company, only-if his/her age is fifty- five years or more; or
- Use his/her share of the amount to purchase a deferred annuity on his/her life from a Life Insurance Company to commence at age fifty-five years or later;

In case of disability before retirement:

- The person will be treated as retired and will get all the benefits as on retirement (subject to valid medical certificate)

**24. At retirement in case of withdrawal more than 50%, what will be the rate of tax applied?**

The withdrawal of 50% at the time of Retirement age remains tax free, however, over and above amount shall be subject to payment of tax @ of participant's average tax rate of the preceding/last three years.

**25. Is it mandatory to withdraw 50% at the time of Retirement?**

Not necessarily. The entire amount can be shifted for Income Payment Plan (IPP) or 50% tax free can be withdrawn. However, if 100% amount transferred to Income Payment Plan, the option to withdraw 50% Tax-free option at retirement age will be lapsed.

**26. What happens if participant withdraws/ redeems his/ her fund before retirement?**

A participant at any time before retirement shall be entitled to redeem the total or part of his/her accumulation subject to payment of tax @ of his/her average tax rate of the preceding/last three years.

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**27. What allocation schemes are available for Income Payment Plan (IPP)?**

The Participant will have the option to place the amount selected for IPP purposes in one of the following allocation schemes of URSF / AIRSF for systematic redemption of units in order to get a periodic payment for at least 10 years and maximum 15 years. After reaching maximum age of 75 years, the Participant may choose to enter into another Income Payment Plan or Annuity Plan.

- (i) Regular Income Payment P (Pension segment:80 % in Money Market/Shariah Compliant Money Market Sub Fund and 20% in Growth segment: 20% in Equity, 45% in Debt and 35% in Money Market Sub Funds
- (ii) Customized Income Payment Plan: (i) Pension segment: 0% to 100% allocations in
- (iii) Debt and Money Market Sub Funds
- (iv) . (ii) Growth segment: 0% to 100% in Equity, Debt and Money Market Sub Funds
- (v) Note: Total of Growth and Pension segment and all Sub Funds shall be 100%.

**28. Is there any limit on monthly withdrawal amount from Income Payment Plan? How is the amount determined?**

Withdrawals can be made through any of these three options;

- (i) Systematic Withdrawal Option – Under this option the Participant shall instruct the Management Company to pay a fixed amount at the end of each Period. This payment option will not be available to participants choosing Medium Volatility Option.
- (ii) Actual Appreciation Payment Plus Fixed Amount – Under this option the Management Company shall calculate the amount a Participant receives based upon the actual appreciation of Participation Amount at the end of the Period plus a fixed amount. If investment depreciates during the Period, only fixed amount shall be paid to the Participant through his Participation Amount. Fixed amount shall be revisited annually to adjust for any depreciation in account balance.
- (iii) Balance to remaining number of Months Methodology – The value of total remaining balance shall be divided into the remaining number of months in the selected period. This exercise shall be undertaken at the end of each year.

**29. What if a principal participant of Income Payment Plan (IPP) dies?**

In case of death of the IPP participant, the successor(s) can continue with the Plan after converting the funds under their name for remaining period. If withdrawn early the tax will be applied as per prevalent law.

**30. How Pension Funds are different from other Open-end Mutual Funds?**

Pension funds are similar to other open-end Mutual Funds in terms of their valuation and asset classes. However, they are regulated under NBFC Regulations, 2008 and VPS Rules, 2005 while Open end Mutual Funds are only regulated under NBFC Regulations, 2008. Tax Credit is available in Voluntary Pension Scheme(s) investment as per Section 63 of ITO 2001, for individuals who also have some source of income from Salary or Business Income in Pakistan.

**31. Will Zakat be deducted at source under RPP?**

State Bank of Pakistan (SBP) has clarified that UBL Roshan Digital Accounts are not subject to compulsory deduction of Zakat as per rule 24-A of the Zakat Collection & Refund Rules, 1981.

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**32. How does one know that his/her investment is in safe hands?**

URSF & AIRSF are Conventional & Shariah Compliant saving scheme managed by one of the largest Asset Management Company in Pakistan i.e. UBL Fund Managers Limited, which is a wholly owned subsidiary of UBL Bank Limited. Besides providing all the other benefits associated with investment in Mutual Funds, URSF & AIRSF give the added comfort of being supported by strong sponsors, professional fund managers, credible Shariah advisors, and a carefully selected portfolio of investments which ensure financial prudence as well as Shariah compatibility.

**33. Can the participant get physical unit certificate?**

No.

**34. How frequently will the statement of accounts be sent to the participants?**

E-statement is sent on each transaction and also on monthly basis. However, participant can himself/herself may download from UBL Digital App or UBL Smart Savings App / Portal or request UBL Funds for e-statement through various touch points.

**35. Can the participant transfer his accumulated fund to any other Pension Fund Manager?**

Yes.

**36. Can participant change his retirement age?**

Retirement age can be changed, on written request for a maximum age of 70 years.

**37. Can an investor open another – Pension Account after claiming retirement?**

Yes, there is no restriction in VPS Rules, 2005. The Participant after retirement can open another pension account with the same Pension Fund manager or with any other Pension Fund Manager subject to the condition that participant's age is less than 70 years.

**38. What is the benefit of Takaful in VPS?**

Takaful protection up to cumulative balance at preceding/last month end, with a maximum limit of **Rs. 5 million** from Pak Qatar Family Takaful (a Takaful Provider Company) being offered to all participants with participant's minimum balance of PKR 50,000/-. The eligibility of availing protection is up to the age of 65 years. This limit will be applicable for aggregate of balances of all investment plan of Mutual Funds and Voluntary Pension Funds and subject to confirmation of the Health Declaration Form by Pak Qatar Family Takaful Ltd.

*Coverage for Natural Death & Accidental Death only:*

<b>Natural Death</b>	Equal to the investment amount of individual subject to Max of Rs. 5,000,000 per investor
<b>Accidental Death</b>	Equal to the investment amount of individual subject to Max of Rs. 5,000,000 per investor

Further details can be accessed on below link:

<https://www.ublfunds.com.pk/individual/alerts-and-statements/free-takaful-coverage-faqs/>