

**Roshan Pension Plan**  
**Under**  
**Meezan Tahaffuz Pension Fund – FAQs (under AMIM)**

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

The Roshan Pension Plan (RPP) is a voluntary pension scheme run by a 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 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.

RPP is a steady income given to a person (usually after retirement). RPP is a saving, or a contribution, which is collected during the working life of an RDA holder and invested for profit. After the opted retirement date, the account holder is entitled to a steady monthly income from a fund built up from the earlier savings.

**2. Who is a Participant?**

A Participant is an individual (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/Takaful company duly authorized by the Securities and Exchange Commission of Pakistan (SECP) to efficaciously manage the contributions made by or on behalf of participants in pension fund 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/POC and a source of income are eligible to invest in RPP.

**5. What is the minimum and maximum age limit for RPP?**

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

**6. What is Meezan Tahaffuz Pension Fund (MTPF)**

MTPF is voluntary pension fund registered under Voluntary Pension System Rules, 2005 and managed by Al Meezan Investment Management Limited (Pension Fund Manager).

**7. Al Meezan Investment Management Ltd.**

Incorporated on February 27, 1995 Al Meezan is registered as a Non-Banking Finance Company under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and NBFC Entities Regulations 2007 with the Securities and Exchange Commission of Pakistan (SECP) to carry on the business of asset management and Investment advisory. As an Investment Adviser, we are authorized to manage discretionary and non-discretionary portfolios for its clients. Al Meezan is licensed as a Pension Fund Manager under Voluntary Pension System Rules, 2005

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

NRVA holders can open Pension Account in MTPF by visiting the following link:  
<https://www.meezanbank.com/roshan-digital-account/>

**9. What is the minimum initial amount to contribute?**

Rs. 10,000/-.

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.

**10. How is NAV calculated?**

A 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 Fund, minus liabilities, divided by the number of units currently issued to investors.

$$\text{NAV Per Unit} = (\text{Current Market Value of all the Assets} - \text{Liabilities}) / \text{Total Number of Units Outstanding}$$

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 prices are declared on a daily basis by the fund manager on its websites.

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**11. 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:

<b>Without Gold</b>	<b>Equity Sub Fund</b>	<b>Income Sub Fund</b>	<b>Money Market Sub Fund</b>
Medium Volatility	50%	40%	10%
Low Volatility	25%	60%	15%
Lower Volatility	Nil	50%	50%

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

Yes, at any point of time during the year.

**13. In which avenues Al-Meezan Investment Management will invest the investor money?**

Al-Meezan Investment Management will invest the pension fund money in different Shariah Compliant equity, Shariah compliant Income and money market instruments with the aim to maximize return of participants. All investments policies are made under the supervision of **Dr. Mufti Imran Ashraf Usmani son of Justice (Retd.) Mufti Muhammad Taqi Usmani**. Dr, Imran Usmani graduated with specialization in Islamic Fiqh (Islamic jurisprudence) from Jamia Darul-Uloom, Karachi, where he has been teaching Fiqh since 1990. He also holds an LLB and Ph.D. in Islamic Finance. He is a visiting faculty member at Karachi University and IBA. Presently Dr. Usmani is the Vice Chairman Shariah Board at Meezan Bank. He has served as an advisor / member of Shariah Boards of several renowned institutions since 1997 including the State Bank of Pakistan, HSBC - Amanah Finance, UBS – Switzerland, etc.

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

Sales Load fee under Roshan Pension Plan is 100% waived off.

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

There is no Backend Load under Roshan Pension Plan/ MTPF

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

Management fee is charged up to 1.5 % per annum of the net assets value of the pension fund.

**17. 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 Al Meezan website.

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

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

**19. What is the duration of profit? Monthly, quarterly or yearly?**

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.

**20. 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 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).

**21. 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 Monthly Income Payment Plan (MIPP) till the age of seventy-five years or earlier, according to an income payment allocation scheme, approved by the SECP. Disbursement of MIPP is subject to applicable Tax laws.
- To use the remaining amount to purchase an annuity from a Life Insurance Company / Family Takaful company of his/her choice.

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**22. 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

**23. 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 three years.

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

Not necessarily. The entire amount can be shifted for Monthly Income Payment Plan (MIPP) or 50% tax free can be withdrawn.

**25. What happened 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 three years.

**26. What allocation schemes are available for Monthly Income Payment Plan (MIPP)?**

The Participant will have the option to place the amount selected for MIPP purposes in one of the following allocation schemes of MTPF for systematic redemption of units in order to get a periodic payment.

- (i) Medium Volatility (Minimum 35% Equity, Minimum 40% Income, Minimum 10% Money Market)
- (ii) Low Volatility (previously conservative) (Minimum 10% Equity, Minimum 60% Income, Minimum 15% Money Market)
- (iii) Lower Volatility (previously very conservative)
  - a. (0% Equity, Minimum 40% Income, Minimum 40% Money Market)
  - b. Income Sub: 100%
  - c. Money Market Sub Fund: 100%

**27. Is there any limit on monthly withdrawal amount from MIPP? 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.

**28. What if a principal participant of MIPP dies?**

In case of death of the MIPP 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 law.

**29. How Pension Funds are different from other open-end mutual funds?**

Pension funds are similar to other open-end funds in terms of their returns. However, they are regulated under VPS rules while Open end funds are regulated under NBFC regulations 2008. Tax Credit is available in VPS Investment as per Section 63 of ITO 2001, for individuals who also have some source of income in Pakistan.

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

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

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

MTPF is a Shariah Compliant saving scheme managed by the largest Shariah compliant asset management company in Pakistan - Al Meezan Investments which is a group company of Meezan Bank and Pak Kuwait Investment Company. Besides providing all the other benefits associated with investment in mutual funds, MTPF gives 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.

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

No.

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

E-statement is sent on each transaction and on monthly basis. However, participant can request Al Meezan for e-statement.

**34. Can the participant transfer the fund to any other pension fund manager?**

Yes,

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

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

**36. 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 that participant's age is lesser than 70 years.

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

Takaful protection up to **Rs. 5mn** from Takaful providing companies being offered to all participants with participation contribution of PKR 10,000/- free of cost. The eligibility of availing protection is up to the age of 60 years.

Coverage for Natural Death, Accidental Death, Permanent Total Disability (PTD) and Accidental Medical Expenses

<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 in addition to Basic Death Benefit
<b>Permanent Total Disability</b>	Equal to the investment amount of individual subject to Max of Rs. 5,000,000 per investor
<b>Medical coverage (Accident)</b>	20% of the investment amount of individual subject to Max of Rs. 1,000,000 per investor