



## Towel Manufacturers' Association of Pakistan (Head Office)

### **TMA HOUSE**

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24<sup>nd</sup> May, 2019

**Dear Members,**

### **Sub: Filing of Constitutional Petition in Sindh High Court against SESSI's Demand of paying contribution on variable wages instead of Minimum Wage**

It has been brought to our notice that the Social Security Institution has started sending demand notices asking for payment of Social Security Contribution on variable wages instead of minimum wage. Moreover, SESSI has also started sending demand notes for recovery under Land Revenue Act.

1. As per Sindh Employees Social Security (Amendment) Act 2018 SESSI Contribution should be given on the basis of 6% of the Minimum Wage. Moreover, Social Security has no legal justification to demand Social Security Contribution on the basis of variable wage rate between **Rs.=16,200=** and **Rs.=21,200=** as the Second Proviso in Section 20 after amendment as for the Sindh Employees Social Security (Amendment) Act 2018, very clearly and without any ambiguity requires the payment of Social Security Contribution to be made on the prevailing Minimum Wages.
2. In view of the decision of the Supreme Court, that all welfare contributions are Fee and not Tax, the recovery of Social Security Contribution cannot be made as arrears of Land Revenue.

Complained received by us that SESSI directorate officials were pressurizing companies to pay their arbitrarily demanded payments and, in some cases, have gone to the extent of threatening for the confiscation / attachment of company's property.

**On above explanation Towel Manufacturers Association of Pakistan should facilitate the aggrieved companies to file a Constitutional Petition in the Sindh High Court to challenge the illegal demands of Social Security Institution and recovery procedure under Land Revenue Act.**

Companies receiving demand notices from SESSI and intending to join as a party in the filing of Constitutional Petition are requested to send:

1. Authority letter as per attachment duly printed on their company's letter-head with the signature of the authorized officer and stamp.
2. Copy of the SESSI notices demanding contribution on variable wages.
3. Any reply sent to SESSI
4. Any reply received from SESSI



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5. Cash of Rs.=35,000= as professional fees inclusive of court expenses per company

Your earliest response will be appreciated since we intend to file the Petitions by the next week.

**With warm regards;**

**M.Muzzammil Husain**  
**Secretary General**



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