

My No. DMS/Salaries/Gen.
Department of Management Services,
General Treasury,
Colombo 1.

28.12.2004

To: All Secretaries to Ministries,
Chairmen of State Corporations,
Statutory Boards and Fully Owned
Government Companies.

**Revision of Salaries of Employees of Public Corporations,
Statutory Boards and Fully Owned Government Companies**

01. It has been decided by the Government that the salary revision granted to the Public Servants by Public Administration Circular No. 9/2004 dated 27.12.2004, with effect from 01st December 2004, pursuant to the Budget Proposals 2005, should likewise be extended to the employees of Public Corporations, Statutory Boards and Fully Owned Government Companies, who are not being paid a variable cost of living allowance tied to Colombo Consumer Price Index or who are not covered by Collective Agreements entered into with Trade Unions/Employees, effective from the same date (01.12.2004).

02. The computation of salaries under this revision should be effected in such a manner that every employee covered by the revision receives a salary increase of 40% of the basic salary subject to a minimum of Rs. 3250/- and a maximum of Rs. 9000/- per month. This salary conversion should be based on the salary scales as approved by the Department of Management Services in terms of provision in Management Services Circular No. 21 dated 02.01.2004.

Example

Present Salary (Annual)	Revised Salary (Annual)
1) Rs. 65,760-11x1320-5x1560-88,080/-	Rs. 104,760-11x1320-5x1560-127,080/-
2) Rs. 80,820-6x1320-10x1560-104,340/-	Rs. 119,820-6x1320-5x1560-5x2160-146,340/-
3) Rs. 179,520-8x6120-228,480/-	Rs. 251,340-8x8580-319,980/-
4) Rs. 280,500-4x11,220-325,380/-	Rs. 388,500-4x11,220-433,380/-

03. Under this revision which will be effected on a step to step basis, a 50% of the increase or Rs. 2500/- per month whichever is higher should be implemented with effect from 01.12.2004 and the balance entitlement with effect from 01.01.2006. Since the Government is also focussing its attention on the elimination of salary anomalies that have hitherto arisen consequent to salary revisions so far effected, the officers affected by such anomalies will become entitled to the second stage increase of the revision only in accordance with the recommendation of the National Council for Administration. Therefore, should there be any anomalies hitherto unresolved, the details thereof should be forwarded to the National Council for Administration (housed in the BMICH, Baudhaloka Mawatha, Colombo 7) before 31.03.2005, for examination and recommendation.

04. The interim allowances authorised by the Management Services Circular No. 07 of 11.09.2000 and No. 12 of 18.10.2001, should continue to be paid parallel to this salary increase. The 10% interim allowance payable in terms of Circular No. 7 dated 11.09.2000, should now be calculated on the basis of the revision effective from 01.12.2004.

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05. It has further been decided to re-visit all the allowances which continue to be paid monthly on the basis of the salary or for specific purposes, in addition to those allowances mentioned in para 04 above. No revision should, therefore, be made in such allowances on the basis of this revision. If it is deemed necessary to continue payment of such allowances even after 01.05.2005, the details thereof should be submitted to the National Council for Administration, with copy to the Director General, Department of Management Services for revision of such allowances. The allowances presently paid should be limited to their monetary value as at 30.11.2004, without being revised until their revision is recommended by the National Council for Administration and approval of the Government is obtained therefor.

06. Persons recruited on contract basis should receive only the salary or the allowance already contracted, during the period of such contract.

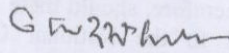
07. It should be noted that any overpayment resulting from erroneous interpretation or application of these circular instructions or irregular revision of salaries or any other error should promptly be recovered from the recipients of such overpayments.

08. Considering the fact that salary structures of Public Corporations, Statutory Boards and Fully Owned Government Companies vary from organisation to organisation, and the need to implement the above salary increase with effect from 01.12.2004, approval is hereby granted to compute the proposed revised salaries on the basis of salary scales which have had the approval under Management Services Circular No.21. Nevertheless, the individual organisations are required to work out the revised salary scales and forward them together with a copy of the letter which granted approval for the salary revision under the Management Services Circular No. 21 (including copies of salary revisions, if any, effected after 01.01.2004, on the approval of the Cabinet of Ministers/the General Treasury) to the Director General, Department of Management Services through the relevant Ministry Secretary before 31.05.2005, for approval.

09. Any organisation which has revised salaries of its employees outside those salary scales approved in terms of Management Services Circular No. 21 to be effective from 01.01.2004, without the approval of the Cabinet of Ministers or the General Treasury, is required to obtain the approval of the Department of Management Services therefor prior to revision of salaries in terms of this circular. Similarly, organisations which have effected salary revisions under Management Services Circular No. 21 but have not so far obtained the approval of the Department of Management Services for such revision should also submit the new revised salary scales to the Department of Management Services before 31.05.2005, for approval.

10. The rate of daily pay should be determined at 1/30 of the initial of the revised salary scales applicable to relevant posts.

11. You are kindly requested to bring the contents of this circular to the notice of all parties concerned for strict compliance.


S.B. Divaratne,
Acting Secretary, Ministry of Finance and
Planning and Acting Secretary to the Treasury.

Copies :- 1. Secretary to the President
2. Secretary to the Prime Minister
3. Auditor General