

My No. DMS/A/8/27  
Department of Management  
Services  
General Treasury  
Colombo 01.  
26.05.2009

To all Secretaries to Ministries  
Chairmen of all State Corporations  
Statutory Boards and fully government owned Companies.

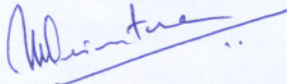
### **Revision of Salaries and Allowances of State Institutions**

Your attention is drawn to Management Services Circular No. 30 of 22.09.2006 on the subject of "Revision of Salaries and Allowances of employees of State Corporations, Statutory Boards and fully government owned companies -2006". Accordingly, proposals for the revision of salaries and allowances of State Institutions have to be referred to Salaries and Cadre Commission and having obtained its recommendations, they should be implemented with the approval of the Department of Management services. However, it has been reported that certain state institutions are taking action to revise salaries of their staffs deviating from this procedure. This situation has resulted in creating salary anomalies among the state institutions and various groups of employees and as a result, it has brought about serious administrative crises. Having considered this situation, the Cabinet of Ministers has taken the following decisions on 18<sup>th</sup> March, 2009 with regard to the revision of salaries and allowances of state institutions.

01. Although provisions have been made in Acts enacted for the establishment of state corporations and statutory boards for fixing of salaries and allowances of the staff, the Hon. Minister in charge of the subject and the boards of directors of state institutions should refrain from implementing such statutory provisions without the recommendation of the Salaries and Cadres Commission and approval of the Department of Management Services.
02. Only in instances where salary anomalies needing immediate solutions should be referred to the Salaries and Cadres Commission and even such recommendations should be implemented with the approval of the Cabinet of Ministers.
03. If there are any revisions of salaries and allowances effected without obtaining the approval of the Department of Management Services and recommendation of the Salaries and Cadre Commission, implementation of such proposals should be suspended with immediate effect.

04. If there are any revisions approved by the Department of Management Services on the recommendations of the Salaries and Cadres Commission but not implemented so far, their implementation during the year 2009, should be suspended.

You are kindly requested to advise all heads of institutions under your supervision to comply with the above requirements.



Udaya Ranjith Seneviratne  
Deputy Secretary to the Treasury  
for Secretary to the Treasury.

Copies to -

1. Secretary to the President
2. Secretary to the Prime Minister
3. Secretary to the Cabinet
4. Auditor General
5. Secretary- Public Service Commission
6. Secretary- Finance Commission
7. Secretary to the Ministry of Public Administration and Home Affairs
8. Secretary- Provincial Councils and Local Government
9. Director General, National Budget.
10. Director General, Public Enterprises

} for  
information and  
necessary action  
please.