

Management Services Circular No. 27

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

17.01.2006

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 (FOGCs)**

In pursuance of the Budget Proposals – 2006, a new salary structure has been introduced for public servants by Public Administration Circular No. 01/2006 dated 12.01.2006 to be effective from 01.01.2006. Also, action is already being taken by the National Council for Administration (NCA) to introduce a new salary structure for Public Corporations, Statutory Boards and FOGCs including the Universities, to fall in line with the former revision. Accordingly, instructions with regard to implementation of new salary structures to be recommended by the NCA will be issued in due course.

02. Until then, the institutions which have received the approval of the Department of Management Services (DMS) to revise their salaries in terms of Management Service Circular No. 25 should take action to pay the balance 50% of the revised salary due for 01.01.2006, out of the salary increase approved for their institutions, as an advance effective from the said date.

03. Institution which have made a salary revision without obtaining formal approval in terms of Management Service Circular No. 25, should not make a salary revision with effect from 01.01.2006. Such institutions should make a formal application to the DMS through the Secretary to the Ministry, with copy to NCA explaining the reasons for failure to obtain prior approval for the revision.

04. Employees of Public Corporations, Statutory Boards and FOGCs which do not pay a Variable Cost of Living or similar allowance linked to the Cost of Living Index will be paid a monthly cost of living allowance of Rs.1000/- (One Thousand) effective from 01.01.2006. At the end of every 06 months i.e. June 30th and December 31st, adjustments will be made in this allowance at the rate of Rs. 2.50 per point based on the variation in the Cost of Living Index.

05. Similarly, all allowances including incentives, annual allowances now being paid to employees of Public Corporations, Statutory Boards and FOGCs will be reviewed by the DMS in consultation with the NCA and communicated to the respective institutions.

06. The new salary increase will not be applicable to the following Public Enterprises / Institutions.

- i. Public Enterprises which pay Variable Cost of Living Allowance linked to the Consumer Price Index.
- ii. Public Enterprises covered by collective agreements reached with Trade Unions or employees.
- iii. Banking and Financial Institutions.
- iv. Institutions which have been identified as Strategic Public Enterprises other than the CGR, the SLTB and Regional Cluster Bus Companies. (vide Annex 01)
- v. Public Corporations, Statutory Boards and FOGCs where special salary scales approved by the Treasury or the Cabinet are operative.

Sgd./S B Divaratne,
Deputy Secretary to the Treasury.

Copies :-

- Secretary to the President
- Secretary to the Prime Minister
- Auditor General
- Chairman/NCA

DMS circular

Strategic Public Enterprises

- I. Bank of Ceylon
- II. Peoples' Bank
- III. National Savings Bank
- IV. State Mortgage and Investment Bank
- V. Ceylon Electricity Board
- VI. Ceylon Petroleum Corporation
- VII. Sri Lanka Ports Authority
- VIII. Airport and Aviation Service (Sri Lanka) Ltd.
- IX. Sri Lanka Railways
- X. Sri Lanka Transport Board and Regional Cluster Bus Companies
- XI. National Water Supply and Drainage Board
- XII. State Pharmaceuticals Corporation