

Management Services Circular No: 18

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

05.05.2003

All Secretaries to Ministries
Chief Secretaries of Provincial Councils
Heads of Departments

Contributory Pension Scheme for Government and Provincial Council Employees

1. The government has decided to introduce and implement a '**Contributory Pension Scheme**' for employees recruited to the Public Service or Provincial Public Service on permanent basis on or after 01.01.2003.
2. **Establishment of a Fund**
 - 2.1 A fund called the "**Contributory Pension Fund**" (CPF) to be administered by the Head of the Department of Pensions will be established for this purpose.
3. **Contribution to the Fund :**
 - 3.1 An employee eligible for membership of the fund shall contribute eight percent (8%) of his monthly earnings to the fund while the contribution by the Government or the Provincial Council, as the case may be, shall be an amount equivalent to twelve percent (12 %) of the monthly earnings of the employee. The **monthly earnings** for purposes of the fund mean the monthly wages or salary of the employee, including any allowance which the Ministry of Finance may from time to time declare to be a pensionable allowance.
 - 3.2 The monthly contribution should be calculated to the nearest rupee.
 - 3.3 It shall be the responsibility of the Chief Accounting Officers/Accounting Officers of the Government/Provincial Councils to ensure that the amount so deducted together with the Government/Provincial Council share of contribution is credited to the fund before the elapse of 07 working days from the last day of the month in respect of which the contribution is due. The officers who fail to remit the contribution on or before the due date will render themselves liable to surcharge both the interest forgone and contribution lost by reason of such failure.
 - 3.4 The amount so paid to the Fund should be charged to the Object Code 1001 'Salaries and Wages' of the respective Projects in the 2003 Budget. If there is any shortfall of provision, and if no savings can be found to meet such shortfall, a request should be made to the Director General of National Budget for an additional allocation giving details of such requirement.

- 3.5 The monthly total contribution should be remitted to the Central Bank of Sri Lanka to be credited to Account No: 0747-08-0000521-3, - Contributory Pension Fund. The Central Bank will make arrangements to deduct the amount to be paid to the Fund via electronic fund transfers. Further instructions will be issued in this regard in due course.

4. **Eligibility:**

- 4.1 Employees recruited to the Government Service and the Provincial Public Services, on permanent basis, on or after 01.01.2003, are eligible to be enrolled as members of this fund. For purposes of budgetary and cadre control requirements, the approval of the Secretary to the Treasury should be obtained prior to recruitment, for acceptance of a new employee as a member of the fund. A certified copy of the letter of such approval should be sent to the Employees Provident Fund (EPF) Department of the Central Bank along with the Declaration form mentioned in para 5. 1 (ii) below.
- 4.2 Any employee recruited contrary to the guideline 4. 1 of this circular will deemed to be an employee falling under categories referred to in para 4. 3 below.
- 4.3 Casual/Temporary/Contract/Daily paid employees are not eligible for membership of the Fund. Nevertheless, they should contribute to the Public Service Provident Fund (PSPF) in terms of the PSPF Act. The contribution of the employee and the employer shall be eight percent (8%) and twelve percent (12%) respectively of the monthly earnings of the employee. In the case of daily paid employees, the amount received by an employee in a month as daily pay or monthly allowance should be treated as his/her monthly earnings. The Department of Pensions will issue separate instructions in this regard.
- 4.4 No person should be employed in the Public Service or Provincial Public Services without his/her contributing to the CPF, PSPF or EPF as may be applicable.

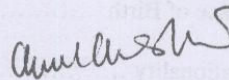
5. **Letters of Appointment**

- 5.1 With regard to the letter of appointment to be issued in respect of appointments made on or after 01.01.2003, the first specimen letter of appointment appearing in Appendix 4 of the Establishments Code as amended by the Public Administration Circular No. 36/89(1), should be further amended as follows:

- i. In para 2 thereof, immediately after the word "**permanent**" add the words "**and you are eligible for a contributory pension under the Contributory Pension Fund**"
- ii. Delete para 10 thereof and substitute therefor the following.

"From the date of appointment, you are required to contribute eight percent (8%) of your monthly earnings to the **Contributory Pension Fund**. You should perfect the annexed Declaration Form (1) - Part A and forward same through the Head of the Department, immediately after assuming duties, for transmission to the Contributory Pension Fund Office in the Central Bank, and the Head of the Department of Pensions."

- iii. Other specimen letters of appointment under this appendix should also be appropriately amended as above.
 - iv. A declaration on oath should be obtained from the employee that he/she has not previously drawn any compensation from the Government or from a Provincial Council under any Voluntary Retirement Scheme.
6. If an officer appointed to a pensionable post before 01.01.2003 is formally released on promotion or in terms of Section 1 of Chapter V of the Establishments Code or newly appointed to a post declared to be pensionable, he will continue to be entitled to the benefits attached to his former appointment under the Pensions Minute and the Widows' and Orphans'/Widowers' and Orphans' Pension, Acts, as being personal to him.
 7. In the case of employees appointed with CPF entitlements, the provisions of the Establishments Code relating to pensions and the other provisions pertinent to Pensions will be deemed to have been replaced with relevant provisions of the EPF (Amendment) Act.
 8. An officer dismissed from a pensionable post or treated as having vacated such post, will on re-appointment as a new entrant forfeit all rights to the previous pensionable service. Accordingly the appointment of such officer shall be governed by the provisions of this circular for purposes of pension.
 9. Any recruitments made from 01.01.2003 up to the date of issue of this circular should be regularized in accordance with the provisions of this circular.
 10. For any further particulars or guidance on this matter, you may kindly refer the Employees Provident Fund (Amendment) Act.
 11. This circular is being issued with the concurrence of the Ministry of Public Administration, Management and Reforms.



Secretary
Ministry of Finance and
Secretary, Ministry of Policy Development and
Implementation.

Form "1"

(This form should be sent to EPF Department of Central Bank with a copy to Department of Pensions through the Head of Institution)

Part "A"

Master Information Sheet of Employee

(This part has to be filled by the employee)

1. Full Name of the Member
2. Name with Initials
3. Other Names
4. Permanent Address
5. E-mail Address
6. Contact Number – Office

Residence

7. NIC Number
(attach a photocopy of NI Card certified by the employer)
8. Date of issue of the NIC
9. Date of Birth (YYYY/MM/DD)
(attach a photocopy of Birth Certificate certified by the employer)
10. Birth Certificate Number
11. Place of Birth
12. Nationality
13. Sex
14. Civil Status
(if married/divorced) go to 15

Contd/-

15. 1. Full Name of the Spouse:*

2. Details of Children:

Full Name	Sex	Date of Birth

3. If divorced/Death, date **.....

16. Marks of Identification

17. Father's Name

18. Mother's Name

* (a copy of the Marriage Certificate, certified by the employer should be attached)

** If divorced attach a copy of the decree of divorce certified by the employer, and if dead attach a copy of the death certificate certified by the employer.

Thumb impression of Member

Left

Right

Date:.....

.....
Signature