

**Pensions Department**  
**Circular No.9/2004**

My No: PN.4042 E  
Department of Pensions,  
Maligawatta Secretariat,  
Colombo 10.

30 .06.2004

To: All Secretaries to Ministries  
Heads of Departments  
Chief Secretaries to Provincial Councils  
Divisional Secretaries and  
to Heads of Local Authorities.

**New system of award of Pensions and the payment of  
Committed Gratuties**

Your kind attention is requested to the following circulars issued  
on the above subject.

- (i) Public Administration circular No.16/95 dated 07.06.1995
- (ii) Pensions Department Circular No.2/95 dated 21.08.1995.
- (iii) Public Administration circular No.7/2002 dated 01.10.2002
- (iv) Pensions Department circular No.8/2002 dated 16.12.2002

The main intention of the issuance of these circulars is to decentralize the power of award of pensions and to pay the committed gratuity to the officer on the day of retirement by the institution where the officer served last and to pay the monthly pension without delay through the Divisional Secretary of the area where the officer is residing.

However, it has been observed that due to lapses in the perfection of the documents forwarded to this department inspite of the instructions already notified the anticipated goal is not achieved. I would therefore like to point out that it is your responsibility to include the correct particulars in the relevant documents of the retiring officer by reference to his/her personal file and other preliminary records. It has to be emphasised that the work of this department is to allocate a pension number and to issue a cheque or a letter of provision for the payment of gratuity based on the particulars furnished by you to this department through the relevant documents.

For the speedy expedition of these activities new forms are introduced herewith and you are kindly requested to perfect the forms as per instructions given below.

Certain matters to be considered when filling  
Form A and form C

(1) Service Position

Whether the post is permanent and pensionable and also whether confirmed in the post should be clearly stated.

(2) Period of Service

Gross Service reckonable for pension purposes should be calculated as follows:

2.1 Daily paid Service

Daily paid service is calculated for purposes of pension according to the number of days served. Special care should be directed to see whether it is required to work on Sundays, Poya days and Public Holidays according to the appointment letter to the daily paid post. This period should be confirmed by form Gen. 226'A'

2.1.1. (If required to work on Sundays/Poya days and Public Holidays)

(1) Number of days served in the month of February to be considered as one month if served for 28 days or more. In all the other months 30 days or more is considered as one month.

(11) Number of days served in other months not considered as full months as mentioned above should be totalled and converted into full months by dividing same by 30.

2.1.2 (If not required to work on Sundays/Poya days/Public Holidays)

(a) How the daily paid service upto 28.2.1974 is considered.

(1) Number of days served in the month of February to be considered as one month if served for 24 days or more. In all the other months 26 days or more is considered as one month.

(11) Number of days served in all the other months not considered as full months as mentioned above should be totalled and converted into full months by dividing same by 26.

(b) How the daily paid service after 1.4.1974 is considered.

(1) Number of days served in the month of February to be considered as one month if served for 19 days or more. In all other months 21 days or more is considered as

(11) Number of days served in all the other months not considered as full months as mentioned above should be totalled and converted into full months by dividing same by 21.

2.2 Reckoning of non-pensionable monthly paid service (P.S.P.F. period) for pension purposes.

The period of service confirmed by form Gen.234 after having granted pensionable status subsequent to the non-pensionable service is considered for pension purposes as follows:

(1) If the contributions have been refunded in terms of section 20 of the Public Service Provident Fund Ordinance No.18 of 1942.

(11) In the event of a refund of contributions under section 14 of the ordinance, if the Govt. contribution and the interest so refunded along with 4% simple interest from the date of obtaining the refund upto the date of refund have been refunded to the Govt. such period can be reckoned for pension purposes.

Note: If the refund of contributions is under section 16 of the above ordinance no such period could be considered for pension purposes.

2.3 Permanent and Pensionable Service

Full period of permanent and pensionable service confirmed either by history sheet on form Gen. 53'A' or by other approved service records can be considered for pension purposes.

2.4 Other Services

2.4.1 Other Services

2.4.1 Training Periods

When training is required for appointment to a post in the Govt. and if appointed to the same post after training such period of training could be considered for pension purposes. However some allowances should have been paid during the training period and that period should be confirmed by the Head of the training institution by a letter.

2.4.2 Seconded Service

For reckoning of the seconded period of service for pension purposes an amount equal to 25% of the officers consolidated salary should have been remitted monthly to the Director of Pensions by the institution obtaining the service of the officer. Any period for which contributions have not been remitted will not be considered for pension purposes.

2.4.3 Teachers Service prior to 1.4.1970

The period of Teachers Service in the Education Department should be confirmed by annexure (1V) and considered for pension purposes.

2.5 Services not reckoned for pension purposes

2.5.1 Service rendered below the age of 16 years

2.5.2 Any service after the age of 60 years not covered by the approval of the Cabinet or by the approval of any other act.

2.5.3 Prior Service of an officer who has been dismissed from service or termination of service or retired for inefficiency (when such an officer is re-appointed to the Public Service the prior service will be reckoned for pension purposes only if there is a clause in the appointment to the effect that the "Prior service will be reckoned for pension purposes")

2.5.4 Service of an officer immediately prior to the termination of service on disciplinary grounds.

2.6 Situations where history sheets have been destroyed, burnt or robbed.

Such services will be reckoned for pension purposes only on the recommendation of the Head of Department along with the committee report of the two staff officers appointed for the purpose in terms of section 5.4 of the Public Administration Circular No.121.

03. No-Pay Leave

3.1 Total period of no-pay leave and the period that can be set off in terms of pensions department circular No.9/96 and 1/98 should be separately indicated in the forms.

3.2 For purposes of pension the no-pay periods that can be deducted from the total no-pay leave in terms of Pensions department circular No.9/96 and 1/98 are as follows:

- (a) No-pay leave upto one year
- (b) No-pay leave and half pay leave granted to teachers prior to the absorption into civil pension scheme on 1.4.1970 from the school teachers pension scheme.
- (c) No-pay leave granted to an officer to obtain higher qualifications which are useful for the discharge of duties.
- (d) When the gross service exceeds more than 30years the excess service can be set off in respect of no-pay leave.

04. Salary applicable at date of retirement

- (1) The salary at retirement of an officer should be considered as the salary attached to the permanent substantive post of the officer if it is not approved by the Cabinet or by any other act.

(11) The earned increment can be given only to those officers retiring on completion of 60 years of age and should be calculated according to the number of days from the last date of increment to the date of retirement.

(111) Any allowance which has been approved as pensionable allowance only should be included in this form.

05. General remarks

(1) The relevant form should be signed placing the full signature of the officer and should be confirmed by an official stamp with the name.


(11) No correction fluid should be used for any alternation in the application but should be confirmed by the signature of the authorised officer.

(111) Every portion of the application should be completed. If any portion is not applicable such fact should be stated.

(1V) If any officer is retiring on completion of 55 years of age or 60 years of age the day prior to his birth day would be the last working day. The date of retirement would be the birth day.

(V) If for any reason the commuted gratuity is unable to pay to the pensioner within two weeks from the date of receipt of the cheque another cheque should be drawn to the equalant value in favour of the Director of Pensions and should be forwarded to this Department with the pension number and a covering letter giving reasons for the non payment.

If the return of the gratuity mentioned at para (V) above is due to the death of the pensioner, the relevant pension file, original death certificate, report of the Divisional Secretary regarding the legal heirs and other documents to establish the informations given in the report should be forwarded to this department. Please note that the award of pension at instances of this nature will be done by the Pensions Department.

  
K.A. Thilakarathne  
Director of Pensions.

Copies to:

1. Secretary, Ministry of Public Administration & Home Affairs
2. Director General Budget
3. Auditor General.

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**Form 'A' (Form to obtain a pension number)**

The retiring officer should perfect part 1 of this form in six copies and forward 05 copies to the own Head of Department. One copy should be sent to the Director of Pensions direct.

Part 1

.....(addressing the Head of Department)  
.....  
.....

**Notice of retirement from Service**

I ..... holding the post of  
..... in the ..... Ministry/Dept./Provincial  
Council/Municipality/Town Council/Pradeshya Saba do hereby give notice that I will be  
retiring/I have been retired on..... day of ..... 200- as I have reached the age  
of retirement/the post has been abolished/on medical grounds/on reaching 50 years of age or  
completion of 20 years of service which ever happens earlier/ on retirement of judicial officers.

- (1) Name in full :-
- (2) Name with initials:-
- (3) National Identity Card No.:-
- (4) Private address:-  
Official address:-
- (5) Date of Birth:
- (6) Telephone No.                      Office:                      Residence:
- (7) Name of husband/wife:
- (8) District in which the pensioner is residing:
- (9) I opt to/do not opt to obtain the commuted gratuity

I hereby declare that the particulars mentioned above are true and correct and that if the commuted gratuity is insufficient to recover any dues to Government from me at the time of retirement I declare my willingness to recover the balance due from my monthly pension.

Signature of the Officer  
Name:  
Designation:

Form A Part II

Director of Pensions (04 copies)

Name of institution:-

1. Service Position

- (i) Under what section of the minutes on pensions is being retired:-
- (ii) Post and designation:-
- (iii) Whether the post is permanent and pensionable:-
- (iv) Whether confirmed in the post:-
- (v) Whether served in the Central Govt. Provincial Public Service at the time of retirement:-
- (vi) Widows Widowers and orphans Pension No.:-

2. Period of Service

	Dates	Months	Years
Gross service reckonable for pension purposes Should be calculated as per pension department circular No.9/2004			

3. No-Pay Leave

	Dates	Months	Years
i. Total no-pay leave period			
ii. No-pay leave that could be set off as per pension Dept. Circular No.9/96			
iii. No-pay leave period after setting off No-pay leave at (ii) above			

4. Salary

	Rs.	Cts.
i. Consolidated Salary at date of retirement		
ii. Value of proportionate earned increment if retired on completion of 60 years of age		
iii. Pensionable allowances (if eligible only)		
iv. Gross salary for computation of pension		
v. Salary circular number relevant to the date of retirement		

5. Calculation of the percentage

- i. If the service is more than 25 years the percentage according to the table
- ii. If the service is less than 25 years the percentage in the table for 25 years
- iii. When the service is less than 25 years the percentage deductible at the rate of 1 for every period of 6 months or part thereof (not necessary if more than 25 years)
- iv. Percentage deductible at the rate of 0.2 for every no-pay period of one month or part thereof (PN dept circular No.9:96)
- v. The net percentage for the calculation of pension to the officer after the above adjustments.

	Unreduced %	Reduced %
i.		
ii.		
iii.		
iv.		
v.		

b. Net Commuted gratuity

- (i) Commuted gratuity  
(Gross annual salary x Net unreduced percentage x 2)
- (ii) Dues to Government
- (iii) Eligible net-commuted gratuity

	Rs.	Cts.
(i)		
(ii)		
(iii)		

7. The name of the official Bank account of the Head of Institution  
And the account No.

I hereby notify that the notice of retirement of Mr. Mrs/Miss. .... serving in this institution has been accepted and that his/her retirement has been approved/necessary action will be taken to retire the officer w.e.f. .... in terms of para 1(1) above. Please notify the pension number assigned to the officer to enable me to commence the calculation of pension. I also certify that the particulars furnished at part I and part II in form 'A' are correct. I will take action not to pay the commuted gratuity and the pension to the officer if he/she commits and office becoming ineligible for a pension under the minutes on pensions.

Signature of the Head of Institution  
Name and Official Stamp.

Date:-  
(Delete words inapplicable)



Annexure 2

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My No:

Date Month Year

Form C

Director of Pensions ( 04 copies)

To obtain a death gratuity number and provision for the payment of a death gratuity

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Name of Institution

1. Service Position

- i. Name of officer :-
- ii. Post and designation held at the time of death :-
- iii. Date of death :-
- iv. Whether the post is permanent & pensionable:-
- v. Whether confirmed in the post:-
- vi. Whether served in the Central Govt./Provincial Public Service at the time of death:-
- vii. Widow/widowers and orphans pension No.:-

2. Period of Service

	Dates	Months	Year
Gross service reckonable for pension purposes. (should be calculated as per pension dept. circular No.9/2004)			

3. No-pay leave

	Dates	Months	year
i. Full period of no-pay leave			
ii. No-pay leave that could be set off as per pension dept.circular 9/96			
iii. No-pay leave period after setting off No-pay leave at (ii) above.			

4. Salary

	Rs.	Cts.
i. Consolidated salary at date of death		
ii. Pensionable allowances (if eligible only)		
iii. Gross salary for computation of death gratuity		
iv. Salary circular number relevant to the Gross consolidated salary at date of death.		

5. Calculation of the percentage

	Unreduced %	Reduced %
i. If the service at date of death was 25 years or more the percentage according to the table.		
ii. If the service at date of death was less than 25 years the percentage for 25 years according to the table.		
iii. When the service is less than 25 years the percentage deductible at the rate of 1 for every period of 6 months or part thereof (not necessary if more than 25 yrs.)		
iv. Percentage deductible at the rate of 0.2 for every no-pay period of one month or part thereof. (Pension dept. circular No.9/96)		
v. The net percentage for the calculation of death gratuity after the above adjustments.		

6. Death Gratuity

	Rs.	Cts.
i. Computed Gratuity (Gross consolidated salary x Net unreduced percentage x2)		
ii. Annual Salary at date of death		
iii. The higher amount at i or ii can be granted as the death gratuity		
iv. Dues to Govt.		
v. Eligible net death gratuity		

7. Names of dependents and their  
addresses:-

A death gratuity number and provisions for a  
sum of Rs. .... may be allocated please.

Signature of the Head of Institution.  
Name and Official Stamp.

Date:-