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எனது இல. } Pen/Pol/06/11-2023  
My No. }

ඔබේ අංකය  
உமது இல. }  
Your No. }

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திகதி } 2024.10.10  
Date }

**Pension Instruction Letter :- 01/2024 (Revision I)**

Secretaries of Ministries  
Chief Secretaries of Provincial Councils  
Heads of Departments/ District Secretaries  
Divisional Secretaries  
Heads of Local Government Institutions

**Method for calculation of the simple interest of 4% based on the period applicable for contribution in arrears for widows' / widowers' and orphans' pension**

Attention is hereby drawn to the Pension Circular Instruction Letter No. 01/2024 dated 02.04.2024 issued on the above matter.

02. It is hereby informed that in terms of the provisions of the above-mentioned letter of instructions, 04 model calculations, which provide methods for the calculation of the simple interest of 4% for the purpose of recovering the contributions in arrears for the widows' / widowers' and orphans' pension for the periods fallen before 01.06.2023, are hereby submitted by annexes no 01.02.03 and 04.

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Home Affairs, Provincial Councils, Local Government and Labour

F.I.P.

**Calculation of the widows and orphans' pension and simple interest of 4% for the period of service on daily wages/ casual basis of an employee when such period is making applicable for the calculation of pension**

In case where a certain employee has served during the period from 01.01.2006 to 01.11.2008 on casual basis/ daily wages and where the Department of Pension has granted approval to make such period of service applicable for the calculation of pension, and further if that employee has been sent on retirement from 31.12.2020, the method to be followed for the calculation of the arrears of contribution and the simple interest of 4% for the aforesaid period is given below, if the contributions to widows' / widowers' and orphans' pension have not been paid for the aforesaid period on casual basis by the time of retirement.

**N.B. –**

- I. For this purpose, the contributions in arrears and the simple interest of 4% should be calculated based on the period of service on casual basis/ daily wages up to 31.12.2020, the date on which the employee has been sent on retirement. When such calculation is made, it is assumed that the contributions to be made to widows' / widowers' and orphans' pension for the period under permanent and pensionable service have been duly paid.
- II. If action is taken to pay contribution in arrears for widows' / widowers' and orphans' pension whilst the employe is in service, contributions in arrears and simple interest of 4% should be calculated for the date of such payment.

Year	A	B	C	D	E	F	G	H
	No of days	Annual salary	Annual contribution (B x 6%)	Contribution for number of days (C÷360 x A)	Total of contributions	Simple interest (E x 4%)	Total of simple interest	Contribution in arrears, which is to be paid + Simple interest (E+G)
2006	208	140,760.00	8,445.60	4,879.68	4,879.68	195.19	195.19	5,074.87
2007	292	140,760.00	8,445.60	6,850.32	11,730.00	469.20	664.39	12,394.39
2008	146	140,760.00	8,445.60	3,425.16	15,155.16	606.21	1,270.60	16,425.76
2009	0	0.00	0.00	0.00	15,155.16	606.21	1,876.81	17,031.97
2010	0	0.00	0.00	0.00	15,155.16	606.21	2,483.02	17,638.18
2011	0	0.00	0.00	0.00	15,155.16	606.21	3,089.23	18,244.39
2012	0	0.00	0.00	0.00	15,155.16	606.21	3,695.44	18,850.60
2013	0	0.00	0.00	0.00	15,155.16	606.21	4,301.65	19,456.81
2014	0	0.00	0.00	0.00	15,155.16	606.21	4,907.86	20,063.02
2015	0	0.00	0.00	0.00	15,155.16	606.21	5,514.07	20,669.23
2016	0	0.00	0.00	0.00	15,155.16	606.21	6,120.28	21,275.44
2017	0	0.00	0.00	0.00	15,155.16	606.21	6,726.49	21,881.65
2018	0	0.00	0.00	0.00	15,155.16	606.21	7,332.70	22,487.86
2019	0	0.00	0.00	0.00	15,155.16	606.21	7,938.91	23,094.07
2020	0	0.00	0.00	0.00	15,155.16	606.21	8,545.12	23,700.28
<b>Contribution in arrears, which is to be paid + simple interest</b>								<b>23,700.28</b>

Calculation of the arrears of contribution and the simple interest of 4% in case where an employee has served on daily wages/ casual basis and then served under permanent and pensionable service but only a part of the contribution from the amount to be paid has been paid for the service on daily wages/ casual basis.

In case where a certain employee has served during the period from 01.01.2006 to 01.11.2008 on casual basis/ daily wages and where the Department of Pension has granted approval to make such period of service applicable for the calculation of pension, further if that employee has been sent on retirement from 31.12.2020, and further employee has paid Rs. 5,055.20 for year 2015 as the contribution for widows' / widowers' and orphans' pension by the time of retirement, the method to be followed for the calculation of the contribution in arrears for the period, for which contribution for widows' / widowers' and orphans' pension has not been paid, and the simple interest of 4% is given below.

N.B. -

- I. For this purpose, the contributions in arrears and the simple interest of 4% should be calculated based on the period of service on casual basis/ daily wages up to 31.12.2020, the date on which the employee has been sent on retirement. When such calculation is made, it is assumed that the contributions to be made to widows' / widowers' and orphans' pension for the period under permanent and pensionable service have been duly paid.
- II. If action is taken to pay contribution in arrears for widows' / widowers' and orphans' pension whilst the employee is in service, contributions in arrears and simple interest of 4% should be calculated for the date of such payment

Year	A No of days	B Annual salary	C Annual contribution (B x 6%)	D Contribution for number of days (C÷360 x A)	E Payments	F Total of contributions	G Simple interest (F x 4%)	H Total of simple interest	I Contribution in arrears, which is to be paid + Simple interest (F+H)
2006	208	140,760.00	8,445.60	4,879.68	0.00	4,879.68	195.19	195.19	5,074.87
2007	292	140,760.00	8,445.60	6,850.32	0.00	11,730.00	469.20	664.39	12,394.39
2008	146	140,760.00	8,445.60	3,425.16	0.00	15,155.16	606.21	1,270.60	16,425.76
2009	0	0.00	0.00	0.00	0.00	15,155.16	606.21	1,876.81	17,031.97
2010	0	0.00	0.00	0.00	0.00	15,155.16	606.21	2,483.02	17,638.18
2011	0	0.00	0.00	0.00	0.00	15,155.16	606.21	3,089.23	18,244.39
2012	0	0.00	0.00	0.00	0.00	15,155.16	606.21	3,695.44	18,850.60
2013	0	0.00	0.00	0.00	0.00	15,155.16	606.21	4,301.65	19,456.81
2014	0	0.00	0.00	0.00	0.00	15,155.16	606.21	4,907.86	20,063.02
2015	0	0.00	0.00	0.00	5,055.20	10,099.96	404.00	5,311.86	15,411.82
2016	0	0.00	0.00	0.00	0.00	10,099.96	404.00	5,715.86	15,815.82
2017	0	0.00	0.00	0.00	0.00	10,099.96	404.00	6,119.86	16,219.82
2018	0	0.00	0.00	0.00	0.00	10,099.96	404.00	6,523.86	16,623.82
2019	0	0.00	0.00	0.00	0.00	10,099.96	404.00	6,927.86	17,027.82
2020	0	0.00	0.00	0.00	0.00	10,099.96	404.00	7,331.86	17,431.82
<b>Contribution in arrears, which is to be paid + simple interest</b>									<b>17,431.82</b>

In case where a periods of service on no pay are fallen within the period under permanent and pensionable service of an employe, calculation of the arrears of contribution and the simple interest of 4% for such period on no pay.

If an employe has been sent on retirement from 31.12.2020 after serving under permanent and pensionable status from 01.01.2006, and if periods on no pay are fallen within his service period in year 2013,2014 and 2015, the method to be a followed for the calculation of the contribution in arrears for the period on no pay, for which contribution for widows' / widowers' and orphans' pension have not been paid, and the simple interest of 4% is given below.

N.B. -

- I. For this purpose, the contributions in arrears for the periods on no pay and the simple interest of 4% should be calculated for the period of service up to 31.12.2020, the date on which the employe has been sent on retirement. When such calculation is made, it is assumed that the contributions for the period of service with full pay have been duly paid.
- II. If action is taken to pay contribution in arrears for widows' / widowers' and orphans' pension whilst the employe is in service, contributions in arrears and simple interest of 4% should be calculated for the date of such payment.

Year	A No of days on no pay	B Annual salary	C Annual contribution (B x 6%)	D Contribution for number of days (C ÷ 360 X A)	E Total of contribution	F Simple interest (E x 4%)	G Total of simple interest	H Contribution in arrears, which is to be paid + Simple interest (E+G)
2006	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2009	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013	208	378,600.00	22,716.00	13,124.80	13,124.80	524.99	524.99	13,649.79
2014	292	382,200.00	22,932.00	18,600.40	31,725.20	1,269.01	1,794.00	33,519.20
2015	146	385,800.00	23,148.00	9,387.80	41,113.00	1,644.52	3,438.52	44,551.52
2016	0	0.00	0.00	0.00	41,113.00	1,644.52	5,083.04	46,196.04
2017	0	0.00	0.00	0.00	41,113.00	1,644.52	6,727.56	47,840.56
2018	0	0.00	0.00	0.00	41,113.00	1,644.52	8,372.08	49,485.08
2019	0	0.00	0.00	0.00	41,113.00	1,644.52	10,016.60	51,129.60
2020	0	0.00	0.00	0.00	41,113.00	1,644.52	11,661.12	52,774.12
<b>Contribution in arrears, which is to be paid + simple interest</b>								<b>52,774.12</b>

Calculation of the contribution in arrears and the simple interest of 4% in case where a periods of service on no pay are fallen within the period under permanent and pensionable service of an employe, and only a part of due contribution has been paid for such period n no pay.

If an employe has been sent on retirement from 31.12.2020 after serving under permanent and pensionable status from 01.01.2006, and if periods on no pay are fallen within his service period in year 2013,2014 and 2015, and further Rs. 15,055.20 has been paid at the time of retirement for year 2017 for the contribution widows' / widowers' and orphans' pension, the method to be a followed for the calculation of the contribution in arrears for the period on no pay, for which contributions for widows' / widowers' and orphans' pension have not been paid, and the simple interest of 4% is given below

N.B. –

- I. For this purpose, the contributions in arrears for the periods on no pay and the simple interest of 4% should be calculated for the period of service up to 31.12.2020, the date on which the employee has been sent on retirement. When such calculation is made, it is assumed that the contributions for the period of service with full pay have been duly paid.
- II. If action is taken to pay contribution in arrears for widows' / widowers' and orphans' pension whilst the employe is in service, contributions in arrears and simple interest of 4% should be calculated for the date of such payment.

Year	A Nu mbe r of days on no pay	B Annual salary	C Annual contribution (B x 6%)	D Contribution for the number of days on no pay (C ÷ 360 X A)	E Payments	F Total of contributions	G Simple interest (F x 4%)	H Total of simple interest	I Contribution in arrears, which is to be paid + Simple interest (F+H)
2006	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2009	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013	208	378,600.00	22,716.00	13,124.80	0.00	13,124.80	524.99	524.99	13,649.79
2014	292	382,200.00	22,932.00	18,600.40	0.00	31,725.20	1,269.01	1,794.00	33,519.20
2015	146	385,800.00	23,148.00	9,387.80	0.00	41,113.00	1,644.52	3,438.52	44,551.52
2016	0	0.00	0.00	0.00	0.00	41,113.00	1,644.52	5,083.04	46,196.04
2017	0	0.00	0.00	0.00	15,055.20	26,057.80	1,042.31	6,125.35	32,183.15
2018	0	0.00	0.00	0.00	0.00	26,057.80	1,042.31	7,167.66	33,225.46
2019	0	0.00	0.00	0.00	0.00	26,057.80	1,042.31	8,209.97	34,267.77
2020	0	0.00	0.00	0.00	0.00	26,057.80	1,042.31	9,252.28	35,310.08
<b>Contribution in arrears, which is to be paid + simple interest</b>									<b>35,310.08</b>