

Pension Circular No : 4/2013(III)

My No - Pen/Circular/2020
Department of Pensions,
Maligawaththa,
Colombo 10,
12.01.2021

To General Managers of all Banks,

Loan facilities for the economic wellbeing of the pension community

Your kind attention is hereby drawn to the Pension Circular No. 4/2013 dated 29.10.2013, Pension Circular No. 4/2013(I) dated 12.12.2014 and Pension Circular No. 4/2013 (II) dated 05.05.2015 issued on the above subject.

02. The pensioner loan scheme to uplift the living standards of the pensioners as well as to get their contribution to the socio-economic development as active elderly community and further their contribution to strengthening the economy of the country is now being successfully implemented island wide through state and private banks.

03. According to the the fiscal policy pursued by the government, banks have reduced the loan interest rates. Therefore to offer the financial benefits to the pensioners, approval is granted to bypass the clause **“Pensioner should renew the previous loan amount and one year should elapse from the date of obtaining the previous loan”** in the section 4 of the Pension Circular No 04/2013 dated 05.05.2015 subjected to following conditions.

- i. Under the new loan facility, only the recovered principal amount from the already obtained loan should be granted. (Rs.100,000 - Rs.50,000 = Rs.50,000).
- ii. Resettlement period of the loan should not be extended.

04. Other provisions of the Pension Circulars No 4/2013, 4/2013 (I) and 4/2013 (II) remain the same.

05. Since the main objective of granting pension as a social security system is to ensure an environment for pensioner to spend his life after retirement without any burden, it is expected that the issuance of loans and recovery of installments will be made without making any hindrance to it.

Sgd.

A.Jagath D. Dias

Director General of Pensions

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- 01. Secretary, Ministry of Public Services, Provincial Councils and Local Government
- 02. Secretary, Ministry of Finance
- 03. Governor, Central Bank of Sri Lanka
- 04. Auditor General
- 05. To all District and Divisional Secretaries

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