

Pension Circular No.03/2008 (Amendment I)

My No.: PN/Circular 2023

Department of Pensions,

Maligawatta,

Colombo 10.

06/06.2023

All Secretaries of Ministries,
Chief Secretaries of Provincial Councils,
Heads of Departments,
District Secretaries/ Divisional Secretaries,
Heads of Local Authorities,

Recovery of Contributions towards Widows / Widowers and Orphans Pension

Your attention is kindly drawn to Pension Circular No.03/2008.

02. In terms of provisions of Section 08(3) of Widows and Orphans Pension Fund Ordinance No.1 of 1898, the recovering contribution should be calculated on compound interest of 4%.
03. The refund of contributions also should be calculated on compound interest of 2.5% and submitted for the payments. (Specimen calculation Annexes 01).
04. You are kindly informed to adhere to the following procedure in the process of recovering contribution as to prepare applications of Widows / Widowers and Orphans Pension without any delay.
05. The arrears of contribution towards Widows / Widowers and Orphans Pension should be calculated on particular officer's consolidated salary and annual compound interest of 4% thereto as per the specimen calculations in Annexes 02 and 03.
06. Accurately calculating and recovering of arrears of contribution and interest thereto is a responsibility of the Head of the Institution and a detailed report of such recoveries should be forwarded to me as well.

Sgd:

A. Jagath D. Dias

Director General of Pensions

Refund of Widows / Widowers & Orphans Contribution (an example only)

Date of Appointment: 22.03.1996

Date of Retirement: 29.07.2015

Year	Annual Contribution Recovered	Interest	Total of the Year
*1996	2,231.82	0.00	2,231.82
1997	2,872.80	55.80	5,160.42
1998	2,872.80	129.01	8,162.23
1999	2,695.18	204.06	11,061.46
2000	2,154.60	276.54	13,492.60
2001	2,957.28	337.31	16,787.19
2002	3,036.48	419.68	20,243.35
2003	3,115.68	506.08	23,865.12
2004	4,094.88	596.63	28,556.62
2005	6,124.08	713.92	35,394.62
2006	9,031.96	884.87	45,311.45
2007	10,642.63	1,132.79	57,086.86
2008	10,784.55	1,427.17	69,298.58
2009	10,906.95	1,732.46	81,938.00
2010	11,029.34	2,048.45	95,015.79
2011	12,024.60	2,375.39	109,415.78
2012	11,705.11	2,735.39	123,856.29
2013	11,626.80	3,096.41	138,579.49
2014	12,121.66	3,464.49	154,165.64
2015	6,888.04	2,217.17	163,270.85
එකතුව	138,917.24	24,353.62	163,270.85

Calculation of interest for a retirement in year 2015

Annual interest for year 2015	3,854.14
Interest for a month in year 2015	321.18
Interest for 06 months as the retirements effects on 29.07.2015	1,927.07
Interest of (29-1) 28 days	290.10
Interest for year 2015	<u>2,217.17</u>

* An interest adjustment shall not be made for initial year

** Instances of entitlement for compound interest are specified in PN Circular No.1/2015.

Total refund to the contributor

163,270.85

For an officer appointed as at 15.09.2006 and received salary under salary code MN-02-2006-A

Contribution and interest to be recovered in cases where contributions were not recovered from the date of appointment

Salary Scale - ₹.13,990 - 10 X 145 - 11 X 170 - 6 X 240 - 14 X 320 - 23330

Duration	Opening balance of the year (A)	Percentage of compound interest (B)	Compound interest (AxB)	Monthly salary (C)	Total of monthly payable consolidated salary (D) (C x12 = D)	Percentage of contribution (E)	Amount of contribution (D x E)	Total amount (AxB) + (D x E) + Opening balance
2006/09/15 2007/09/15	0	4%	0.00	13990.00	167,880	6.00%	10072.80	10072.80
2007/09/16 2008/09/15	10072.80	4%	402.91	14135.00	169,620	6.00%	10177.20	20652.91
2008/09/16 2009/09/15	20652.91	4%	826.12	14280.00	171,360	6.00%	10281.60	31760.63
2009/09/16 2010/09/15	31760.63	4%	1270.43	14425.00	173,100	6.00%	10386.00	43417.05
2010/09/16 2011/09/15	43417.05	4%	1736.68	14570.00	174,840	6.00%	10490.40	55644.14
2011/09/16 2012/09/15	55644.14	4%	2225.77	14715.00	176,580	6.00%	10594.80	68464.70
Contribution Recovered								
2017/01/01 2017/09/15	68464.70	4%	2738.59	21833.00	185,581	6.00%	4584.93	75788.22
2017/09/16 2017/12/31	75788.22	4%	3031.53	21833.00	76,416	6.00%	4584.93	96206.70
2018/01/01 2018/09/15				25102.00	213,367	6.00%	12802.02	
2018/01/01 2018/12/31	96206.70	4%	3848.27	25102.00	87,857	6.00%	5271.42	119795.60
2019/01/01 2019/09/15				28371.00	241,154	6.00%	14469.21	
2019/09/16 2019/12/31	119795.60	4%	4791.82	28371.00	99,299	6.00%	5957.91	146834.73
2020/01/01 2020/09/15				31940.00	271,490	6.00%	16289.40	
2020/09/16 2022/09/15	146834.73	4%	5873.39	32240.00	386,880	6.00%	23212.80	175920.92
2022/09/16 2023/03/15	175920.92	4%	7036.84				11606.40	194564.16
4% interest on ending balance								7782.57
Contribution and compound interest of 4% payable as at 15.03.2023								202346.72

* As the salary has been converted from 01.01.2016 as per P.A.Circular 3/2016

Contribution from 16.09.2022 to 15.03.2023

Contribution to be recovered for first 15 days and last 15 days

$$\frac{\text{Monthly salary}}{30} \times 6\% \times \text{No. of days} = 1934.4$$

Contributions to be recovered for 5 months

$$\frac{\text{Annual salary}}{12} \times 6\% \times \text{No. of months} = 9,672.00$$

11,606.40

For an officer appointed as at 15.09.2006 and received salary under salary code MN-02-2006-A

Annexes 03

Contribution and interest to be recovered in cases where contributions were not recovered from the date of appointment

Salary Scale - ₹.13,990 - 10 X 145 - 11 X 170 - 6 X 240 - 14 X 320 - 23330

Duration	Opening balance of year (A)	Percentage of compound interest (B)	Compound interest (AxB)	Monthly salary (C)	Total of monthly payable consolidated salary (D) (C x12 = D)	Percentage of contribution (E)	Amount of contribution (D x E)	Total amount (AxB) + (D x E) + Opening balance
2006/09/15 - 2007/09/15	0	4%	0.00	13990.00	167,880	6.00%	10072.80	10072.80
2007/09/16 - 2008/09/15	10072.80	4%	402.91	14135.00	169,620	6.00%	10177.20	20652.91
2008/09/16 - 2009/09/15	20652.91	4%	826.12	14280.00	171,360	6.00%	10281.60	31760.63
2009/09/16 - 2010/09/15	31760.63	4%	1270.43	14425.00	173,100	6.00%	10386.00	43417.05
2010/09/16 - 2011/09/15	43417.05	4%	1736.68	14570.00	174,840	6.00%	10490.40	55644.14
2011/09/16 - 2012/09/15	55644.14	4%	2225.77	14715.00	176,580	6.00%	10594.80	68464.70
2012/09/16 - 2013/09/15	68464.70	4%	2738.59	14860.00	178,320	6.00%	10699.20	81902.49
2013/09/16 - 2014/09/15	81902.49	4%	3276.10	15005.00	180,060	6.00%	10803.60	95982.19
2014/09/16 - 2015/09/15	95982.19	4%	3839.29	15150.00	181,800	6.00%	10908.00	110729.48
2015/09/16 - 2015/12/31	110729.48	4%	4429.18	15295.00	53,533	6.00%	3211.95	127838.25
2016/01/01 - 2016/09/15				18564.00	157,794	6.00%	9467.64	
2016/09/16 - 2016/12/31	127838.25	4%	5113.53	18564.00	64,974	6.00%	3898.44	147985.05
2017/01/01 - 2017/09/15				21833.00	185,581	6.00%	11134.83	
2017/01/01 - 2017/12/31	147985.05	4%	5919.40	21833.00	76,416	6.00%	4584.93	171291.40
2018/01/01 - 2018/09/15				25102.00	213,367	6.00%	12802.02	
2018/01/01 - 2018/12/31	171291.40	4%	6851.66	25102.00	87,857	6.00%	5271.42	197883.68
2019/01/01 - 2019/09/15				28371.00	241,154	6.00%	14469.21	
2019/09/16 - 2019/12/31	197883.68	4%	7915.35	28371.00	99,299	6.00%	5957.91	228046.34
2020/01/01 - 2020/09/15				31940.00	271,490	6.00%	16289.40	
2020/09/16 - 2022/09/15	228046.34	4%	9121.85	32240.00	386,880	6.00%	23212.80	260380.99
2022/09/16 - 2023/03/15	260380.99	4%	10415.24				11606.40	282402.63
4% interest on ending balance								11296.11
Contribution and compound interest of 4% payable as at 15.03.2023								293698.74

*As the salary has been converted from 01.01.2016 as per P.A.Circular 3/2016

Contribution from 16.09.2022 to 15.03.2023

Contribution to be recovered for first 15 days and last 15 days

$$\frac{\text{Monthly salary}}{30} \times 6\% \times \text{No. of days} = 1934.4$$

Contributions to be recovered for 5 months

$$\frac{\text{Annual salary}}{12} \times 6\% \times \text{No. of months} = 9,672.00$$

$$\underline{\underline{11,606.40}}$$

Recovery of contribution of an officer received salary on daily paid basis

Year	No. of days worked during year	Opening balance of the year (A)	Percentage of compound interest (B)	Amount of compound interest (AxB)	Annual salary (C = Daily salary X 240)	Percentage of contribution (D)	Amount of contribution (E)	Amount of contribution applicable for the No. of days served F = ((E/360)* No. of days served)	Total amount (AxB) + E Opening balance
2006/01/01 2006/12/31	120	0	4%	0.00	15,600	6.00%	936.00	312.00	312.00
2007/01/01 2007/12/31	180	312.00	4%	12.48	15,600	6.00%	936.00	468.00	792.48
2008/01/01 2008/12/31	170	792.48	4%	31.70	15,600	6.00%	936.00	442.00	1266.18
2009/01/01 2009/12/31	201	1266.18	4%	50.65	15,600	6.00%	936.00	522.60	1839.43
2010/01/01 2010/12/31	190	1839.43	4%	73.58	15,600	6.00%	936.00	494.00	2407.00
2011/01/01 2011/12/31	205	2407.00	4%	96.28	15,600	6.00%	936.00	533.00	3036.28
2012/01/01 2012/12/31	190	3036.28	4%	121.45	15,600	6.00%	936.00	494.00	3651.73
2013/01/01 2013/12/31	165	3651.73	4%	146.07	15,600	6.00%	936.00	429.00	4226.80
4% interest on ending balance									169.07
Contribution and compound interest of 4% payable as at to-date									4395.88