

Ministry of Public Administration,
Independence Square,
Colombo 7.

30th August, 1988.

To: All Secretaries to Ministries,
Heads of Departments and
Chairmen of Public Corporations.

Salary advance to Public Officers who suffer
property damage and/or loss of movables as a
result of the disturbances that occur in the country-
Establishments Code - Chapter XXIV

Insert Section 14 as follows:-

14. Salary advance to public officers who suffer property
damage and/or loss of movables as a result of the disturbances
that occur in the country.

14:1 A public officer (and where both spouses are public officers
each such spouse separately) who suffers property damage
and/or loss of movables as a result of a disturbance that
occurs in any part of the country at any time, where the
Secretary to the Ministry of Defence determines that a
disturbance warranting such a concession has occurred, may
be granted,

(i) an advance up to a maximum of two years new
consolidated salary (without allowances) to a
confirmed public officer with a minimum of
ten(10) years service as on the date of granting
the salary advance; or

(ii) an advance up to a maximum of one year's new
consolidated salary (without allowances) to a
confirmed public officer who has less than ten
(10) years of service; subject to the following:-

(a) the amount of loan should be related

to the extent of such damage or loss as proved to the satisfaction of the approving authority;

- (b) the period of re-payment should not exceed 8(eight) years;
- (c) the interest should be 7.2 (seven decimal two) per cent per annum;
- (d) two personal guarantors from among confirmed public officers should be provided;
(The approving authority should satisfy himself that the two personal guarantors proposed are fit and proper persons in terms of the provisions in the Establishments Code)
- (e) the amount of the advance and/or instalment should be so determined that the advance and interest can be fully recovered by the time the recipient reaches the age of 55 year ,
- (f) a public officer who is close to 55 years of age, may be granted the salary advance on an irrevocable undertaking that he will either settle the loan before retirement or, on retirement, he will commute his pension and authorise the Director of Pensions or the Head of Department to recover any outstanding balance from his commuted pension or the pension. The form shown in appendix 23 of the Establishments Code should be used for obtaining this irrevocable undertaking

There is no objection to computing the re-payment instalment on the basis that the re-payment of the salary advance will be spread over a period of not more than 8 year

- and (g) in the event of death/retirement under any circumstances before the age of 55, the

advance and interest outstanding at the time of the event should be a first charge on the commuted pension and or gratuity of the officer concerned.

- 14:2 (a) This salary advance is independent of and in addition to any loan already granted to a public officer or his spouse.
- (b) the recipient and the guarantors are exempted from the 40% or the 33 1/3% deduction limits stipulated in F.R. 238 and Section 3, Chapter XLIV of the Establishments Code.
- (c) An officer who has already obtained a salary advance under Public Administration Circulars 237, 250, 313, 358, 381 and 395 also may be paid the difference between the unrecovered balance and the amount he is eligible for under these provisions, if he suffers such a damage once again.

14:3 Application for this salary advance may be made on the prescribed form under appendix-29 of the Establishments Code, the specimen of which is annexed to this-circular.

14:4 The value of stamps to be affixed to the agreement and the surety bond are Rs. 1.00 and Rs.10.00 respectively.

14:5 The salary advance of an officer of Staff Grade should be authorized by the Secretary to the Ministry and that of others should be authorized by the Head of Department concerned.

14:6 This salary advance should be operated through the individual Advance Account of each Department for Advances to public officers.

14:7 All Heads of Departments should take action to revise the limits of the Advance Accounts where necessary, in terms of F.R. 503 and Treasury Circular Letter No. 19 of 13.03.1983.

- 14:8 Recovery of instalment of principal should be credited to the "Advance to Public Officers Account-'B' Account" from which this advance is payable. Recovery of interest should be credited to Revenue Head 5: Rents, Interest, Profits and Dividends received, Sub-Head 2: Interest, Item 4: Other, and accounted for separately.
- 14:9 A separate Register on Form C.C. 10 should be maintained for recording the payment and recovery of instalments of capital and the equated monthly interest. Monthly interest should be computed on the basis of the formula in Appendix 21 of the Establishments Code.
- 14:10 Regarding an officer who is transferred, the procedure normally adopted in respect of recoveries of advances from ~~Advance Account~~ should be followed - i.e. the outstanding balance of the advance should be paid to the Department releasing him by the Department taking him ~~in~~, debiting its "Advance to Public Officers Account - 'B' Account" and thereafter recoveries continued in instalments ensuring that in any case the recoveries are completed by the specified date.
- 14:11 ~~Where~~ a public officer who obtained an advance under this scheme ceases to be in service, the Pay and Establishments Units should ~~ensure that~~ the balance advance outstanding (including equated interest) from such officer is recovered from his pension/security/gratuity or other monies payable to him from which such a recovery may legally be made.
- 14:12 These provisions are effective from 1.1.1987".
Public Corporations should also implement similar scheme with due consideration to the source of funds for the purpose.

Sgd:D.B.I.P.S.Siriwardhana
Secretary,
Ministry of Public Administration.

FORM OF APPLICATION FOR REQUEST OF SALARY
ADVANCE TO PUBLIC OFFICERS WHO SUFFER PROPERTY
DAMAGE AND/OR LOSS OF MOVABLES AS A RESULT OF
THE DISTURBANCES THAT OCCUR IN THE COUNTRY

1. Full Name of Applicant :-
2. Designation :-
3. Official Address :-
4. Annual Salary (Without
allowances) :-
5. Amount applied Rs. :-
6. Amount of damage as
estimated by applicant :-
7. Documents in support of
damage to property and/or loss
of movables and the extent of such
damage :-

Signature of Applicant.

Date:-