

SLT Staff Loan

SLT STAFF LOAN

Introduction

There are 04 types of loans schemes available for all SLT permanent staff.

1. Distress loan
2. Motorcycle loan
3. Motor car loan
4. TDC Education loan

1. Distress Loan

Eligibility criteria:

- This loan can be applied by executive and non-executive employees for any distress matter.
- Only Permanent employees of SLT who are confirmed in service are eligible to apply for this loan.
- If the loan applicant does not have 3 years of permanent service he/she needs to produce a guarantor who has 5 years of permanent service in SLT.
- If the applicant with over 3 years' service in permanent cadre who does not possess required EPF balance also can obtain the distress loan with a guarantor who has 5 years of permanent service in SLT.
- The guarantor's salary deductions should not exceed 60% of their earnings.

Loan amount

- The total loan amount would be 12 months basic salary of the employee. The employee is eligible to top-up the loan after paying 12 instalments.
- The eligible top up loan amount will be the difference between the 12 months basic salary of the employee and outstanding loan balance as at the date of applying.

Eg: Basic salary at the date of top up : 40,000

Eligible loan amount : 40000 X 12 : 480,000

Outstanding loan amount at the date of top up : 60,000

Eligible top up amount : 420,000

Recovery period

- Recovery period of this loan is 60 installments.

Interest rate

- The interest rate is revised monthly based on the recommendation of the GM/Treasury. It is set at 75% of the Weekly Average Weighted Prime Lending Rate (AWPLR) published by the Central Bank at the beginning of the month, or 10%, whichever is lower.

Documents needed

- Loan application and agreement
- Guarantor's details form and agreement (When necessary)
- All the above forms are available in SLT SharePoint.
- Link – https://sltcomlk.sharepoint.com/sites/CPO/HR_IR/EIR/DL
- Approving Officer - Level 01 - Leave Agent/Admin Officer ,
Level 02- Immediate Executive Supervisor

2. Motor Cycle Loan

This loan is offered for the purchase of a motorcycle or other vehicle to facilitate travel between the employee's residence and workplace.

Eligibility criteria

- Only Permanent confirmed employees of SLT.
- If the loan applicant does not have 5 years of permanent service he/she needs to produce a guarantor who is having 5 years of permanent service in SLT.
- If the applicant with over 5 years' service in permanent cadre who does not possess required EPF balance also can obtain the distress loan with a guarantor who has 5 years of permanent service in SLT.
- Loan will not be granted to the employees who are 55 or more years old.
- The guarantor's salary deductions should not exceed 60% of their considered earnings.

Loan amount

- The loan given for the purpose of purchasing a motorcycle / other vehicle for SLT employees is Rs.400,000.
- Employees can apply for this loan in every six years.

Recovery period

- Recovery period of this loan is 72 installments.

Interest rate

- The prevailing interest rate of the Motor cycle loan of SLT employees is 7.2%. This rate can be revised at the discretion of the management.

Documents needed

- Loan application and loan agreement
- Guarantor's details form and surety bond (When necessary)
- Quotation or Valuation report
 - When purchasing a used vehicle, need to submit a Valuation Report.
 - When purchasing a brand new vehicle, need to submit a Quotation.
- All the above forms are available in SLT SharePoint.

(Link – https://sltcomlk.sharepoint.com/sites/CPO/HR_IR/EIR/MCYL)

General conditions for a Motor cycle loan

- The purchase of the vehicle must be completed within two months from the date the loan is released.
- Once the vehicle is purchased in the employee's name, the following documents must be submitted to the relevant leave agent within two months.
 - Vehicle registration certificate
 - Insurance certificate (At least third party)
 - Revenue License
 - Payment receipt or Letter from the Previous owner confirming the sale (If purchased a used

vehicle)

- Lease Document (If any)
- If the above condition is not met by the employee, his/her monthly installment will be doubled while additional 5% interest is levied for the period related.
- If this is repeated more than 2 times, the loan payment will be suspended for the particular officer.
- The penalty may be suspended if the employee submits the relevant documents within six months of the loan approval date and will reverse to the normal deduction.
- However, an employee who has been penalized twice may apply for a motorcycle loan again in two steps

Step -1

- Releasing Rs.200, 000.00 on the employee's application of Motorcycle loan 1 in ERP.

Step -2

- The balance of Rs. 200,000.00 will be released upon submission of the relevant documents within 2 months from the release of the first part of the loan (on the employees' application of Motorcycle loan 2 in ERP).
- Both Motorcycle and Motor car loans will not be granted simultaneously. If an employee applies for one type, any existing loan of the other type must be fully settled. (Applicable to Executive staff only)
- If the employee is promoted to executive grade, he will be eligible for applying motor car loan, on settling the motor cycle loan fully but if he/she has a penalty imposed, he/she can apply for motor car loan after completing the penalty period.
- Approving Officer - Level 01 - Leave Agent/Admin Officer ,
Level 02- Immediate Executive Supervisor

3. Motor Car Loan

This loan is granted to purchase a Motor vehicle for the purpose of traveling between his/her residence and place of work.

Eligibility Criteria

- Only Permanent confirmed executive officers of SLT who are confirmed in service are eligible to apply for this loan.
- Officers who have been assigned company vehicles are not eligible for this loan.
- If the officer has less than 5 years of service, he / she should submit a guarantor who has 5 years of service.
- Loan will not be granted to the officers whose age is over 55 years.
- The guarantor's salary deductions should not exceed 60% of their considered earnings.

Loan Amount

- The loan given for the purpose of purchasing a Motor vehicle for SLT executive staff is Rs.1,000,000/=
- Employees can apply for this loan once in every eight years.

Recovery period

- Recovery period of this loan is 96 installments.

Interest rate

- The interest rate of the Motor car loan of SLT executive staff is 7.2%. This rate can be revised at the discretion of the management.

Documents to be submitted with the loan application

- Loan application and agreement
- Guarantor's details form and agreement (When necessary)
- If purchase a used vehicle, need to submit a Valuation Report
- When purchasing a brand-new vehicle, need to submit a Quotation
- If the vehicle is used, a letter from the previous owner detailing the purchase must be obtained.
- All the above forms are available in SLT SharePoint.

(Link – https://sltcomlk.sharepoint.com/sites/CPO/HR_IR/EIR/MCL)

General conditions for a Motor car loan

- The purchasing of the vehicle should be completed within two months from the date the loan is released. The following documents are to be submitted to the Leave Agent once the vehicle is purchased to employee's name.
 - Vehicle registration certificate
 - Insurance certificate (At least third party)
 - Revenue License
 - Payment receipt or Previous owner's letter (If used vehicle)
 - Lease Document (If any)
- If the above condition is not met by the employee, his/her monthly installment will be doubled while additional 5% interest is levied for the period related.
- If this is repeated more than 2 times, the loan payment will be suspended for the particular officer.
- The penalty can be suspended if the employee submits the relevant documents within 6 months of the loan approval date.
- Motorcycle and motor car loans will not be granted simultaneously. If an employee applies for one type, any existing loan of the other type must be fully settled.
- Documents to be kept under the custody of the leave agent.
- Approving Officer - Level 01 - Leave Agent/Admin Officer,
Level 02- DGM of the applicant

4. TDC Education loan

SLT Nebular Institute of Technology (previously known as TDC) offer a variety of internationally recognized courses to the general public for a fee. These programs open up a wide range of local and international career opportunities for individuals who successfully complete them. In addition, several of these courses are aligned with the Staff Recruitment and Promotional Scheme (SRPS) applicable to SLT employees.

To support the career growth and educational advancement of its workforce and their immediate family members, SLT Management has introduced a Special Educational Loan Scheme. This scheme allows SLT permanent employees to obtain financial assistance for themselves or their immediate family members to follow courses conducted by NIT, with the course fee being repaid in monthly installments directly from the employee's salary.

Loan Amount

- A maximum loan amount of Rs.500,000.00 can be granted at any given time.

Eligibility

- The scheme is available to SLT permanent employees and their immediate family members who enroll in courses conducted by SLT Talent Development Centers.

Repayment Plan

- The loan repayment will be made in up to 60 equal monthly installments, which will be deducted directly from the employee's monthly salary.

Documents to be submitted with the loan application

Need to contact SLT Nebular Institute of Technology

Terms and Conditions

- This loan scheme is exclusively for payment of course fees for courses conducted by SLT NIT.
- Fees such as franchise payments, student enrollment fees, and loyalty payments to external parties are not covered under this scheme and must be paid separately by the employee directly to the NIT.
- Once the loan amount is disbursed, the entire loan amount must be recovered from the employee's salary, irrespective of whether the student continues or discontinues the course.
- After full repayment of the loan, employees are eligible to apply for a new loan to pursue additional courses, subject to the maximum outstanding loan limit of Rs. 500,000.00 at any time.
- For course details, employees need to contact the SLT NIT. Eligibility checks and approvals for loan recovery related to loan applicants are handled by the SLT Loan Section
- All other standard terms and conditions of the SLT loan process apply, including:
 - Execution of a loan agreement.
 - Compliance with the 60% salary deduction rule, which limits the total loan installment deductions to 60% of the employee's salary.

General Conditions applicable for any loan

- The guarantor should not exceed 55 years of age.
- Only Basic salary, Transport Allowance and Meal Allowance are considered as earnings of an employee when calculating 60% limit of salary deductions.
- The following deductions are not considered when calculating the 60% limit:

- Festival Advance Loan (New)
 - EPF
 - PAYE Tax (however, tax applicable for Basic salary & Transport allowance is considered as a deduction to grant distress loans for executive staff)
 - Excess Mobile Phone Charges
 - Excess Official Residence Bills
 - Stamp Duty
 - Bungalow Reservation
 - Any Recovery or Arrears deduction applicable for one or two months
 - Other deductions below Rs. 500.00
- For Distress, Motorcycle, and Car loans, a completed hard copy of the Loan Application and Loan Agreement must be submitted. If a guarantor is provided, the completed Surety Application and Surety Bond must also be submitted to the Leave Agent or Admin Officer.
 - Any unrecovered loan balance of an employee who ends the employment will be recovered from his/her Provident Fund.
 - All loans should be applied through ERP (Employee Self Service) except for executive staff who do not have sufficient EPF balance.
 - Loan balances can be viewed through pay slip in ERP.
 - Distress, Motorcycle, and Car loans related documents should be kept under custody of the leave agent.
 - Applicant employee/leave agent need to upload the documents properly to DMS and Leave agent should approve the loans in ERP only if the relevant documents are uploaded successfully.
 - Any loan approved by the loan manager will be scheduled for payment only after the next working day.
 - For Executive staff who have completed three years of service, distress loans can be applied through the Automated Distress Loan Process (ERP) without manual application. However, executive applicants who do not have sufficient Provident Fund balance must complete the manual application process.