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PART I : SECTION (I) — GENERAL
Government Notifications

L.D.B. 132/ 29 (ii)

PUBLIC SERVICE MUTUAL PROVIDENT ASSOCIATION ORDINANCE

RULES made by the Public Service Mutual Provident Association under Section 16 of the Public Service Mutual Provident Association Ordinance (Chapter 283) and approved by the Minister of Finance.

Secretary,
Ministry of Finance and Mass Media.

Colombo,
20th February 2018.

Rules

The rules published in *Gazette* No. 5147 dated 17th June 1892 as amended as from time to time and last amended by *Extraordinary Gazette* No. 1777/ 38 dated 28th September 2012 are hereby further amended as follows :-

1. Under the heading Chapter 1- General Rules

(a) in rule 6 -

- (1) the paragraph (i) of sub rule (A) is hereby rescinded and the following paragraph is substituted therefore :-

“Any member who has retired from the State Service, Provincial State Service, Local Government Service as a per a retirement scheme of Government, on abolition of office resign or is dismissed from his post under Section 7 (A) or ceased to be a member under the provision 7 (B) (i) shall be requested to set off every loan or advance obtained under the rules No. 12 and 13 and any balance of the property loan obtained under Chapter II. This shall consist of total contribution fee, the interest



and balance amount if any. When request is made the interest shall be charged by calculating up to the last date requested for the setting off the loan”.

- (2) the paragraph (ii) of subrule (A) is hereby rescinded and the following paragraph is substituted therefor :-

“Any member who is requested to set off the contributory fee and the interest credited to him for the property loan and obtained under the rules No. 12 and 13 and set off as provided for rule 6(A)(i) may remain as a donatory member if he is consented to pay donator membership fee. He may be able to get new membership if he is willing to pay membership fee in addition to loan. However, he may be considered as a new member when granting a salary loan under the rule 13(i)”.

(b) in rule 13 -

- (1) in the table thereof, in corresponding entry of item 6 of Column II loan entitlements chart, by the substitution for the word and figures “Rs. 80,000/-” of the word and figures “Rs. 90,000/-” ;
- (2) in rule 13(A), by the substitution for the word and figures “Rs. 7,500/-” for the word and figures “Rs. 10,000/-” ;
- (3) any member who has not completed five years of government service he may obtain this loan on the guarantee of a member who has completed five years or any two members who are permanent in their service.
- (4) (i) in rule 13(B) by the substitution for words and figures “Rs. 50,000.00” of the words and figures “Rs. 100,000.00”
(ii) by the substitution for the word “6 months” of the word “03 months” ;
- (5) in rule 13(D) by the substitution for the word and figures “Rs. 50,000” of the word and figures “Rs. 100,000.00” ;
- (6) in rule 13(K)
 - (i) in paragraph (i) thereof, by the substitution for the words “A special advance of rupees ten thousand ” of the words
“A special advance of maximum amount of rupees twenty five thousand” ;
 - (ii) by the addition immediately after paragraph (ii) of the rule 13(K), of the following new paragraphs :-

“ (iii) to grant a loan of Rs. 100,000/- to a member who is following a Postgraduate Degree (MA, MPhil, MSc). This loan shall be repaid in 60 equal monthly installments, at the interest rate 10% per annum, subject to a maximum deduction limit of 40% of his monthly salary” ;
 - (iv) any member who is permanent in office or recruited to a permanent post subject to a probation period, may be granted a maximum amount of Rs. 200,000/- loan to purchase a motor cycle with the conditions imposed by the Committee of Management on repayment in 30 equal monthly installments at the interest rate of 12% per annum ;
 - (v) for the loans granted under paragraph (iv), any member who has not completed five years of government service he may obtain this loan on the guarantee of a member who has completed five years or any two members who are permanent in their service.

(c) in rule 14(3)-

(1) the paragraph (i) is hereby rescinded and the following paragraph is substituted therefor :

“(i) A donation of rupees 55,000/- shall be paid to any member who have fulfilled the requirements mentioned in the paragraph (ii) and (iii) and have more than five years of membership” ;

(2) the paragraph (iv) of is hereby rescinded and the following paragraph is substituted therefor :-

“(iv) It shall be lawful to establish a fund known as “Medical Donation Fund” to which every member of the Association should credit rupees 25/- monthly ” ;

(3) by the insertion immediately after paragraph (vi) of rule thereof of the following new paragraph :-

“(vii) the increased Rs. 7,500/- of the amount granted for Refractive Lence Exchange Surgery up to Rs. 10,000/- ” ;

(d) by the insertion immediately after the rule 15(ii), of the following new paragraph :-

“(iii) (a) the Members of Public Service Mutual Provident Association are entitled to a retirement allowance. The Payment of retirement allowance at the retirement will be effective from the date 01.01.2015.”

(a) a member who has retired from 01.01.2015 to 31.12.2015 Rs. 10,000/-

(b) a member who has retired from 01.01.2016 to 31.12.2016 Rs. 12,000/-

(c) a member who has retired from 01.01.2017 to 31.12.2017 Rs. 14,000/-

(d) a member who has retired on or after 01.08.2018 Rs. 15,000/-

(b) by every member who is in service shall pay a fee of Rs. 20/- as a contribution and it shall be deducted from such number from 01.01.2014.

(e) in rule 17-

(1) the paragraph (1) of rule (17) is hereby repealed

(2) by the renumbering of rule 17(ii) as 17(i) ;

(3) by the insertion immediately after the rule 17(i), of the following new rules :-

“(ii) interest mentioned in the relevant rule shall be recovered by calculating the amount proportionately to the number of days from the date of payment of the loan up to the due date of payment ;

(iii) Committee of Management has the power to amend the interest rate for the loans and the interest granted by the Association taking into consideration the fluctuating interest rates of the Government and the market subject to the concurrence of the Deputy Secretary to the Treasury.

- (iv) Interest for the loans obtained from the Association shall be paid on diminishing balance as at each month at the interest rate specified under the relevant rule. If interest rate has not been specified for a loan under any rule, interest of 8% per annum shall be charged for such loan.” ;
- (f) by the substitution in rule 19 for the words “the interest so accumulated” of the words “the loan so accumulated”.
- (g) by the insertion immediately after the paragraph (iii) of rule 25 of the following new paragraph :-
- (iv) A member shall complete five years of active membership to qualify for nomination as a member of the Committee of Management. Every deduction shall be deducted from the salary or pension of the Nominee, Proposer and Secunder for continuous six months prior to the date of closing date for calling the nominations for election to the Committee of Management, if any member is to be retired within six months, membership shall be updated by payment of fees”.
- (2) Under the heading Chapter II -
- (a) paragraph (i) of rule 5 is hereby rescinded and the following paragraph is substituted therefor :-
- “The interest charged for the first of Rs. 300,000/- of the amount approved by the Committee of Management for property loan shall be 10% per annum and the interest charged for the balance amount shall be 12% per annum.” ;
- (b) by the renumbering of rule 6 as rule 6(1) ;
- (c) by the insertion immediately after the renumbered paragraph (i) of rule 6 of the following new paragraph :-
- “(i) Where a property loan is applied for a second time within the maximum time period after obtaining a property loan an approval report shall be obtained by conducting a inspection for the mortgaged property if the value mentioned in the previous assessment report is exceeding the aggregate of the balance amount of the previous loan and a second loan amount, if the assessment report is more than 2 years old and value mentioned in the first assessment report exceeds the above aggregate assessment, an approval shall be needed.” .
- (d) the paragraph (i) of rule 10 is hereby rescinded and the following paragraph is substituted therefor :-
- “(i) The loan shall be repaid in 300 monthly installments or before exceeding 80 years of age at the date whichever comes first”.
- (e) paragraph (v) of rule 6A is hereby rescinded and the following paragraph is substituted therefor :-
- “(v) An additional fee of 0.5% shall be charged for prevailling balance of the loan to the last date of recovering the loan balance, whenever the property loan is recovered under the rule 6A (1)”
- (3) Under the heading Chapter IV
- (a) paragraph 4 of the thereof is hereby rescinded and the following paragraph is substituted therefor :-
- “4. Any employee shall obtain a loan not exceeding rupees 4,000/- for purchasing books and stationary for his children” ;

(b) paragraph 5 of the thereof is hereby rescinded and the following paragraph is substituted thereof :

“5. An employee shall obtain a loan not exceeding rupees 10,000/- as a festival advance.”

(c) by the insertion immediately after the paragraph 5 thereof, of the following new item :

“Computer Loan

6. An employee may be granted a loan not exceeding of rupees 75,000/- for purchasing a computer.

(i) The loan shall be repaid in 50 monthly installments an interest is ten per centum (10%) ;

(ii) An officer or employee with a service of five years, is eligible for this loan ;

(iii) If any employee has less than 5 years of service, two guarantors with more than five years of service are required ;

(iv) If a period of service of any employee on completion of 55 years of age is less than 100 calendar months, a declaration stating that the payment of the balance shall be recovered from his gratuity shall be given ;

(v) A 40% of his salary limit shall be applicable.

(d) by the renumbering of paragraphs 6 and 7 as paragraphs 7 and 8 respectively

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