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No. 1890/7 – MONDAY, NOVEMBER 24, 2014

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## PART I: SECTION (I) – GENERAL

### Government Notifications

My No.: CI/1703.

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement (in Sinhala, English and Translated into Tamil) entered into between Sri Lanka Insurance Corporation Limited, No. 21, Vauxhall Street, Colombo 02 of the one part and the Insurance Employee's Union, No. 288, Union Place, Colombo 02 and Sri Lanka Nidahas Sevaka Sangamaya, 341/21, 4th Floor, Sarana Mawatha, Rajagiriya of the other part on 22nd day of August 2014, regarding the Executive Grades is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

HERATH YAPA,  
Commissioner of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05.  
13th November, 2014.

#### Collective Agreement No. 33 of 2014

#### COLLECTIVE AGREEMENT FOR EXECUTIVE GRADES 2013 - 2016

BETWEEN

SRI LANKA INSURANCE CORPORATION LIMITED

AND

MEMBERS OF

INSURANCE EMPLOYEE'S UNION

AND

SRI LANKA NIDAHAS SEVAKA SANGAMAYA

THIS COLLECTIVE AGREEMENT is made and entered into on the 22nd August, 2014 between **Sri Lanka Insurance Corporation Limited**., having its Registered office at No. 21, Vauxhall Street, Colombo 02 (hereinafter referred to as the 'Employer') of the one part and



the Insurance Employee's Union and Sri Lanka Nidahas Sevaka Sangamaya being trade unions duly registered under the Trade Unions Ordinance and having their registered offices at 288, Union Place, Colombo 02, and 341/21, 4th Floor, Sarana Mawatha, Rajagiriya respectively, (hereinafter referred to as the 'Unions') of the other part Witnesseth:

WHEREAS the Unions have shown to the satisfaction of the Employer that they represents a majority of the Executive Grade Employees employed by the Employer and employer acknowledges same.

AND WHEREAS it is the desire of both the Unions and the Employer to enter into an Agreement which will ensure

- (a) Smooth facilitation of the Employers trade and business with a view of enhancing operational efficiency, productivity and maintaining the competitive position of the Employer in the insurance industry.
- (b) Address the salaries wages and conditions of employment to suit the current circumstances
- (c) Create peace and harmony at the workplace NOW THEREFORE for and in consideration of the above premises and the mutual terms and conditions hereinafter set out, the Unions and the Employer agrees as follows:

1. **Title.**— This Agreement shall be known and referred to as “**The Collective Agreement for Executive Grades 2013 - 2016**”.

2. **Date of Operation and Duration.**— This Collective Agreement shall be effective from the First day of December Two Thousand Thirteen, and may be terminated by either party with one month's written notice (Thirty Days) to the other, provided however that neither party shall give such notice prior to the Thirtieth day of November, Two Thousand Sixteen. Any notice of termination of this Agreement given by either party, prior to the Thirtieth day of November, Two Thousand Sixteen, shall not be regarded as valid notice and shall be of no avail.

The parties acknowledge that the terms agreed herein shall continue to be honored notwithstanding the segregation of the Employers business by application of the segregation rules contemplated in the Regulation of Insurance Industry (Amendment) Act, No. 3 of 2011. If the parties so desire the Employer will foster and encourage the new legal entities to be established in pursuance of segregation rules, to subscribe to the terms herein embodied. Should the parties desire to renew this agreement or revise the terms hereof, negotiations on same shall only commence by First November, Two Thousand and Sixteen.

03. **Persons Covered and Bound.**— This Agreement shall cover and bind the Employer, the Unions and all members of the Unions in the EXECUTIVE Grade Staff who are employed on permanent contracts of employment by the Employer at its work places in Colombo Head Office, Branches and other locations and who are members of the Unions as at 22nd of August 2014 and thereafter.

04. **Rights and Responsibilities of Employer.**— Selection, placement, distribution, transfer and promotion of personnel, laying down of working hours as per statutory laws, working programmes, planning and control of branch operations, introduction of new policies or improved operational methods, expansion of business facilities, establishment of quality and operating standards, maintenance of efficiency, the consequence thereof, maintenance of discipline in the work place and for that purpose taking necessary disciplinary action against staff within the framework of the existing law, regulations and standing orders, as well as other inherent rights of an employer are exclusively the rights and responsibilities of the Employer.

Recruitment, selection, placement and promotions of employees will depend only on company requirements. In determining the requirements, the company shall have regard to prior experience qualifications, skills attributes and acceptance of prospective candidate by the nature and the calling of the respective position or the job. It is agreed by the company that the foregoing aspects shall be implemented through the respective committees appointed by the Board of Directors.

05. **General Terms and Conditions of Employment.**— The terms and conditions of this Agreement shall as from the date hereof and during the continuance in force of this Agreement, be deemed to be included in all the contracts of employment between the Employer and the Employees covered and bound by this Agreement, Provided, that in the event of any conflict or inconsistency between the terms and conditions of this Agreement and any pre-existing terms and conditions or practices, the terms and conditions of this Agreement shall prevail.

06. **Variation of Terms and Conditions of Employment or Benefits.**—

- (a) The Unions and their members and the employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement they shall not seek to vary or add to all or any of the practices, terms and conditions of employment presently applicable to any of the employees covered and bound by this Agreement or all or any of the benefits presently enjoyed by any of the workers covered and bound by this Agreement, other than by mutual Agreement.

- (b) This Agreement shall be deemed to be a full and final settlement of all matters covered herein as well as all matters raised by the Unions or incidental thereto and in respect of which negotiations took place between the parties before the conclusion of this Agreement.

**07. Salary Revision.-**

1. With effect from the First day of December, Two Thousand Thirteen, employees covered and bound by this Agreement shall be paid salaries in accordance with the salary ranges set out in Schedule 1 hereof. The annual increments payable to employees shall also be in terms of those applicable to the respective ranges.
2. To ascertain the salary revision of an employee covered and bound by this Agreement with effect from 01.12.2013 on the salary ranges set out at schedule 1 hereof, the following method of conversion shall apply.
  - (a) The employees who are currently below the minimum point of the salary range shall be adjusted to the minimum point stipulated in schedule 1 as applicable to the respective grade in which the employees are currently placed.
  - (b) A 23.3% increase shall be effected on the current or the adjusted base as the case may be in respect of employees covered by this agreement.
  - (c) Thereafter, as a once and for all adjustment that will not be repeated hereafter, a sum of Rs. 135/= per each completed year of service as at 01st December 2013 will be added to salaries of Employees and bound.
  - (d) Provided that in case of employees whose salaries have been revised in terms of (a), (b) and (c) hereof, but such total salary revision is less than interim allowance paid, the company shall consider the salary revision to be Rs. 5000.
  - (e) It is also agreed by the Unions and the employees covered and bound that the interim allowance granted with effect from 01st of February 2014 to the respective employees as applicable shall not be paid henceforth. In calculating the salary arrears, the aggregate of the interim allowance already paid to the employees shall be deducted against the arrears payment.
  - (f) It is also agreed by the Unions and the employees covered and bound that the foregoing adjustment addresses all their perceived anomalies and that they shall not raise any demands related to such matters hereafter.
  - (g) It is agreed by the parties that payment of arrears. i.e. from 2013.12.01 shall be limited to the increase of the basic pay and EPF/ETF.
  - (h) With effect from 01st December 2014, the monthly salaries of employees covered by this agreement shall be further increased by 5%.
  - (i) With effect from 01st December 2015, the monthly salaries of employees covered by this agreement shall be further increased by 5%.

**08. Transport Incentive.-** It is agreed by the employer to extend the Transport Incentive to those executives who are not enjoying any other travel related benefits. The forgoing provisions shall not apply to Executives who are presently enjoying the travel related benefits. Provided that, in the case of those already receiving any other transport related benefit and whose revision falls below the equivalent of 10% of salary, the company will make good any shortfall.

**09. Cost of Living Allowance.-**

- (a) The Employer shall pay a monthly cost of living allowance at the rate of Rs. 67 per point of variation beyond the base year/ month relevant November 2013 (176.5), if any, based on the monthly variation of the CCPI figures released.
- (b) To arrive at the figure due for the month of December 2013, and it is agreed by the employer to consider making the payment by computing any upward variation of points multiplied by Rs. 67 and add Rs. 649 hereafter considered as the minimum rupee figure.
- (c) Thereon, the monthly cost of living payment will be computed on the basis of the upward movement of the CCPI beyond the base year, if any, and in such instances, the difference of monthly figures will be multiplied by at the rate of Rs. 67 per point.

For instance, since the CCPI figure for the month of December 2013 was also 176.5, and there being no variation considering the base year/ month also to be 176.5, the monthly cost of living payment would only be Rs. 649. This is in keeping with the agreed terms for the commencement of the scheme.

Thereafter, to arrive at the amount payable in the month January 2014, the variation if any, of the figures for the months of December 2013 and January 2014 should be ascertain. Since the variation is only one completed point (i.e. 177.5 minus 176.5), the amount payable for the month of January 2014 shall be Rs. 716. (i. e. Rs. 67 + Rs. 649).

On the other hand, if on any occasion a high figure is arrived, and a low variation is recorded in terms of the CCPI in the following month, the amount payable shall be the minimum rupee figure Rs. 649

(d) In the event, the CCPI (2006/7) is discontinued, it is agreed by the employer to freeze the last payment made and make a monthly cost of living payment in terms thereof.

(e) In the event The Government make any changes to Colombo Consumer Price Index it is agreed that necessary adjustments will be made accordingly.

10. **Annual Bonuses.** - Annual profit bonus may be paid at the discretion of management subject to availability of adequate profits, however not exceeding the bonuses paid in 2013 December / 2014 April, which amounted to the equivalent of 3 1/2 months basic salary in total. The bonus policy previously followed on un-availed medical leave shall continue to extend for the duration of this agreement.

11. **Statutory contributions.** - Contributions made by the Employer and Employee on statutory payments such as EPF, ETF and gratuity will continue at the same rates as in year 2010.

12. **Work Practices.** - Both the Employer and Unions agree that the work practices of the company shall be those that are specifically stipulated in contracts of employment of employees including job descriptions, existing policies, practices, both existing and those that may be varied from time to time by the company due to new policies being introduced or in view of amendments to existing policies, procedures, practices, and job descriptions to meet requirements of the company.

Provided however, prior to effecting any changes the company will notify the Unions.

Overtime work shall only be performed as per the requirements of the company.

13. **Grievances and Disputes handling procedure.** - In the event of any dispute or grievance arising between an employee or employees and the Company or between the Union and the Company, the Grievance Handling Procedure of the Company shall be followed for the settlement of such dispute or in resolving such grievance in the first instance.

14. **Trade Union Action.** - The Unions and the staff who are members of the unions covered and bound by this Agreement jointly and severally agree with the Company that during the continuance in force of this Agreement they shall not engage in any form of trade union action in respect of matters covered or dealt under this Agreement and also not engage in any action that can bring the institution into dispute and harm the goodwill of the Company in general.

Provided that, in the case of a dispute or grievance not covered by this agreement, it is agreed by parties to resolve such dispute or grievance in terms of the dispute resolution procedure set out in Clause 13 hereof and thereafter by resorting to conciliations proceedings before the Commissioner General of labour under the provisions of the Industrial Disputes Act, prior to engaging in any form of Trade Union action in relation to such dispute or grievance. The Unions shall give two days prior notice to the Company in writing prior to taking any Trade Union action.

It is also agreed by the Unions and the staff who are members of the unions that, in the event they decide to take trade union action as a last resort, they shall still carry out essential skeletal services of the company.

15. **Consequences of Termination of Agreement.** - On the termination of this Agreement all terms, conditions, facilities and concessions enjoyed by the Unions and/or their members under this Agreement shall ipso facto cease Employee benefits as per the Collective Agreement will remain unchanged provided workmen continue with the agreed work practices, terms and conditions stipulated in this Agreement.

16. **Breaches of the Agreement.** - If in the opinion of the Company and the Employers' Federation of Ceylon, either of the Unions or its members have committed a breach of this Agreement, then and in such event the Company reserves to itself the right to withdraw all or any of the facilities or benefits granted to the employees or Unions, 7 days after raising such breach the Union in writing, without prejudice to the Company's right to restore such facilities or benefits upon such terms and conditions as the Company and the Employers' Federation of Ceylon may decide. The Unions will be entitled to dispute the justification of such withdrawal.

If, in the opinion of the Unions, the Employer has committed a breach of this Agreement, then and in such event the Unions would have the right to refer such matters to the Commissioner of Labour.


17. **Interpretation of Agreement.**— Any dispute over the interpretation of this Agreement shall be settled by conciliation before the Commissioner-General of Labour or by voluntary arbitration in terms of the provisions of the Industrial Disputes Act (1950).


18. **Definitions.**— Unless the context otherwise requires the following words shall have the following meaning:


- (a) 'Employee' or 'Staff' shall mean an employee in the permanent grades in the EXECUTIVE categories and covered and bound by this Agreement.
- (b) 'Dispute' shall have the same meaning as an 'Industrial Dispute' in the Industrial Disputes Act (1950) as amended or in any Act enacted by the Parliament to replace the Industrial Disputes Act subject to the proviso that it shall not include a dispute involving a variation of this Collective Agreement.
- (c) Words importing the masculine gender shall include the feminine gender.
- (d) Words importing the singular number shall include the plural number and vice versa.

#### Signatories to this Agreement


In witness whereof parties have set their hand hereunto on this 22nd August, Two Thousand and Fourteen at Colombo.


FOR AND ON BEHALF OF S  
  
PIYADASA KUDABALAGE  
MANAGING DIRECTOR


FOR AND ON BEHALF OF I  
  
R.S. NANDALAL  
PRESIDENT  
INSURANCE EMPLOYEE'S U

FOR AND ON BEHALF OF S  
  
LESLIE DEVENDRA  
GENERAL SECRETARY - SLI

WITNESSES:

1)   
Ranjith Perera  
SRI LANKA INSURANCE COP

3)   
A.D.J. Karunaratne

5)   
KANISHKA WEERASINGHE  
DEPUTY DIRECTOR-GENERAL

**Executive****Non Sales**

| <b>Grade</b> |
|--------------|
| Executive 1  |
| Executive 2  |
| Executive 3  |
| Executive 4  |

**Sales**

| <b>Grade</b> |
|--------------|
| Executive 1  |
| Executive 2  |
| Executive 3  |
| Executive 4  |

**Technical**

| <b>Grade</b> |
|--------------|
| Executive 1  |
| Executive 2  |
| Executive 3  |
| Executive 4  |