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# The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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## PART I : SECTION (I) — GENERAL

### Government Notifications

L.D.B 3/2014.

#### FARMERS' PENSION AND SOCIAL SECURITY BENEFIT SCHEME ACT, No. 12 OF 1987

REGULATIONS made by the President under Section 29 of the Farmers' Pension and Social Security Benefit Scheme Act, No. 12 of 1987 read with Article 44(2) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

MAHINDA RAJAPAKSA,  
President.

Colombo 01,  
27th January, 2014.

#### Regulations

1. These regulations may be cited as the Farmers' Pension and Social Security Benefit Scheme Regulation, No. 1 of 2014 and shall come into operation with effect from January 1, 2014.

2. (1) Every farmer, who intends to join the Farmers' Pension and Social Security Benefit Scheme established under Section 2 of the Act (hereinafter referred to as "the scheme") shall -

- (a) be a citizen of Sri Lanka ;
- (b) be eligible under Section 4 of the Act, to join the scheme ;
- (c) (i) be a person engaged in cultivation whether as an owner, a lessee, a tenant cultivator or a person cultivating under the authority of an owner and certified as a farmer by an authorized officer under the Agrarian Development Act, No. 46 of 2000 or the Land Development Ordinance (Chapter 464) or the Crown Lands Ordinance (Chapter 460) ; or
- (ii) be an employee of a person referred to in sub-paragraph (i), who is remunerated in cash or in kind ; and
- (d) Not be a beneficiary under any Pension Scheme operated in Sri Lanka or under the employees provident fund established under the employees' Provident Fund Act, No. 15 of 1958.



3. (1) Any farmer who possesses the qualifications required under regulation 2, shall make an application in that behalf to the Agricultural and Agrarian Insurance Board (hereinafter referred to as "the Board"). The Board shall specify the Form for such purpose and such Form shall be available with an officer duly authorized by the Board to certify the granting of membership to applicants to the scheme (hereinafter referred to as "the authorized officer").

(2) Upon receipt of the application, the authorized officer, shall ascertain the correctness of the particulars stated therein and certify the granting of membership of the scheme to the applicant.

(3) The authorized officer shall scrutinize the application and forward the same to the Board together with his certificate thereon.

4. (1) Once the Board approves the application of any applicant he shall become a contributor to the scheme (hereinafter referred to as "the contributor") and the Board shall issue a policy to every such applicant.

(2) Where the Board decides to reject any application made under regulation 3, such decision shall be communicated to the applicant thereof, stating the reasons for such decision.

5. (1) The policy of any contributor may be terminated by the Board for any of the following reasons :-

- (a) if the information stated by such contributor in his application made under regulation 3, is found to be false or incorrect in any material particulars or that anything stated therein has not been truly stated or that any material information has been withheld ;
- (b) if such contributor ceases to have the qualifications which make him eligible to continue as a contributor to the scheme ;
- (c) if he fails to pay the contributions due from in terms of these regulations or the policy issued to him or within any further period of time allowed to him for the payment thereof.

(2) Where the Board terminates the policy under paragraph (1), all money paid as the contributions by the relevant contributor shall be forfeited and become the property of the Board subject to any relief granted to such contributor under these regulations.

6. (1) A contributor who joins the scheme at an age specified in Column I of Schedule A hereto shall pay an amount which is either :-

- (a) a lump sum specified in the corresponding entry in Column II of that Schedule ; or
- (b) a monthly installment of such sum as is specified in Column III of that Schedule ; or
- (c) a half yearly installment of such sum as is specified in Column IV of that Schedule.

(2) A contributor who pays the contributions as referred to in paragraph (1) shall be entitled for a pension of an amount specified in the corresponding entry of Column II of Schedule B as a monthly payment, upon reaching the age specified in Column I of the corresponding entry of that Schedule.

7. (1) Every contribuor shall pay the installments due from him on or before the date stipulated in the policy issued to him :

Provided that a grace period as determined by the Board may be granted to pay any such installment :

(2) Where an installment payable by a contributor is paid within the grace period, no adjustment may be made to the pension due to him.

(3) Where a contributor pays an installment after the expiry of the grace period such installment shall be deemed to be in default and no payment other than a relief specified under these regulations shall be made to such contributor.

(4) A contributor may pay any number of installments prior to the date on which such installments fall due.

8. (1) The policy of any contributor becomes invalidate where a contributor fails to pay five consecutive installments of the contributions due from him as specified in these regulations.

(2) The policy of such contributor shall not be revalidated but he shall be entitled, subject to the provisions of regulations 9, for the refund of the total amount of the contribution made by him.

(3) Where the contributor referred to in paragraph (1) becomes permanently disabled or dies prior to the payment due date of the fifth installment defaulted by him, there shall be paid, as the case may be -

(a) the lump sum gratuity on disablement specified under regulation 10 of these regulations to him ; or

(b) death gratuity specified under regulation 10 of these regulations paid to his legal heir upon his death.

9. (1) A contributor who has paid in full all the installments in terms of the provisions of regulations 6, due for the full period of payment of contributions under the scheme or who has joined the scheme by paying a lump sum, shall be entitled to receive the pension specified in Column II of Schedule B to these regulations upon reaching the age of sixty (60) years.

(2) Where a contributor dies after becoming eligible to draw a pension under the scheme, but prior to receiving any payment under the scheme, the legal heir of such contributor shall be entitled only for the payment of the total amount paid by the contributor as contributions deducting the Government subsidy within a period of one year from the date of the death of the contributor.

(3) A contributor who has paid less than Twenty Five Per Cent (25%) out of the total contributions due from him under Schedule A hereto or in terms of the policy issued to him shall not be entitled to receive a pension or to receive a refund of the contributions paid by him under these regulations.

(4) A contributor who has paid less than the total amount of the contributions due from him under Schedule A hereto or in terms of the policy issued to him, but has paid Twenty Five Per Cent (25%) or more of such total amount of contributions due from him, shall be entitled for a refund of the total amount of the contributions made by him together with the interest thereon as determined by the Board.

(5) A contributor whose policy has been terminated in terms of regulation 5(b) shall be entitled, on the lapse of two years after such termination, for a refund of the total amount of the contributions made by him together with the interest thereon as determined by the Board.

(6) Every contributor whose policy has been terminated shall be eligible to join the scheme as a new member in accordance with the provisions of regulations 2 other than those who have ceased to be contributors due to a reason referred to in regulations 5(a).

10. (1) A contributor to the scheme shall be entitled to lump sum gratuity on disablement and death gratuity without having to pay any additional contribution to the scheme.

(2) Where a contributor who joins the scheme as specified in regulation 3, dies or becomes permanently disabled either partially or totally, prior to becoming eligible to draw a pension under the scheme he shall be entitled -

(a) in the case of a permanent total disablement occurred at the age specified in Column I of Schedule C hereto, for the payment of the lump sum gratuity specified in Column II of the corresponding entry of that Schedule ;

- (b) in the case of a permanent partial disablement occurred at the age specified in Column I of Schedule C hereto, for the payment of the lump sum gratuity specified in Column III of the corresponding entry of that Schedule ;
- (c) in the case of the death of the contributor at the age specified in Column I of Schedule C hereto, for the payment to his legal heir the death gratuity specified in Column IV of the corresponding entry of that Schedule ;

(3) The lump sum gratuity referred to in paragraph (2) shall be paid only once in a life time of a contributor and the disablement shall be a result of any one of the following occurrences :-

- (a) an accident caused by external and visible violent action occurred after the date of the policy issued to the contributor under regulations 3 and where the disablement occurs within ninety days from the date of such accident ;
- (b) an illness occurred after the date of the policy issued to the contributor under regulation 3.

(4) The contributor shall become eligible to claim for the lump sum gratuity only after the lapse of one year from the date of issuance of the policy under regulation 3.

(5) Any contributor who suffers permanent partial or total disablement shall be eligible to obtain the full amount of the lump sum gratuity and the total amount of the contribution paid by such contributor together with the interest determined by the Board thereon.

(6) Any contributor who receives the lump sum gratuity under paragraph (5) shall cease to be a member of the scheme upon receipt of such benefit.

(7) The lump sum gratuity referred to in paragraph (2) shall not be paid if the death of the contributor is a direct or indirect result of any one of the following :-

- (a) a war, an invasion or an inimical act by a foreign state, an act of an enemy, a civil war, a rebellion, a revolution, or commotion irrespective of the fact that the war has been declared or not ;
- (b) air travel, other than as a passenger travelling on board after paying airfare of a recognized airline or chartered flight ;
- (c) *committing suicide compos mentis or non compos mentis* within a period of two years from the date of the policy issued to the contributor under regulations 3 ;
- (d) an act of the contributor committed under the influence of alcohol or narcotic drugs ;
- (e) while committing an illegal act by the contributor or while in the custody of the legal authorities for committing any such act.

(8) The legal heir of a deceased contributor becomes eligible to claim for the death gratuity only after the lapse of one year from the date of issuance of the policy under regulation 3, except where the death of the contributor has caused due to an accident.

(9) The legal heir of a deceased contributor shall be entitled in addition to the death gratuity, for receiving the total amount of the contribution paid by the deceased contributor together with the interest thereon determined by the Board.

(10) The death gratuity referred to in paragraph (1) shall not be paid if the death of the contributor is a direct or indirect result of any one of the following :-

- (a) a war, an invasion or an inimical act by a foreign state, an act of an enemy, a civil war, a rebellion, a revolution, or commotion irrespective of the fact that the war has been declared or not ;
- (b) air travel, other than as a passenger travelling on board after paying airfare of a recognized airline or chartered flight ;
- (c) *committing suicide compos mentis or non compos mentis* within a period of two years from the date of the policy issued to the contributor under regulations 3 ;

11. (1) Any contributor who is aggrieved by -

- (a) the termination of the policy by the decision of the Board ;
- (b) any decision of the Board made under these regulations.

may make an appeal, within thirty days of the receipt of such decision to the Secretary of the ministry of the Minister.

(2) The Board shall specify the form for the purpose of paragraph (1) and shall be available with an officer authorized in that behalf by the Board.

12. (1) Any contributor who has joined the scheme in the manner prescribed under the Farmers' Pension and Social Security Benefit Scheme Regulations No. 1 of 1987, published in *Gazette Extraordinary* No. 452/12 of May 7, 1987, shall be subject to the provisions of these regulations with effect from the date of operation of these regulations and shall continue to be a member of the scheme.

(2) Notwithstanding the provisions of paragraph (1), the amount of the contributions to be paid by a contributor referred to in paragraph (1) who is less than fifty five years of age as at January 1, 2014, as specified in Columns II, III and IV of Schedule A to these regulations, as relevant to his age specified in the corresponding entry of Column I to that Schedule, shall be amended by deducting the contributions already paid by such contributor prior to the date of operation of these regulations.

(3) Any contributor referred to in paragraph (2), who wishes to opt out of the scheme with effect from the date of operation of these regulations shall be entitled to receive the total amount of the contributions paid by him prior to the date of operation of these regulation together with the interest on such amount determined by the Board.

(4) Notwithstanding the provisions of paragraph (1), the amount of the contributions as specified in Columns II, III and IV of Schedule A to these regulations to be paid as relevant to the age specified in Column I of that Schedule by any contributor referred to in paragraph (1), who is fifty five years or above but less than sixty years of age as at January 1, 2014, shall be deducted from fifty percent.

(5) Any contributor referred to in paragraph (4), who wishes to opt out of the scheme with effect from the date of operation of these regulations shall be entitled upon reaching the age of sixty years to receive the total amount of the contributions paid by him prior to the date of operation of these regulation together with the interest thereon.

(6) Every contributor referred to in paragraph (1) shall be issued a policy under these regulations which stipulates *inter alia* the amount of the contribution payable by him and the due date for such payment and such contributors shall be entitled for the pension benefits specified in Schedule B to these regulations.

13. (1) Any contributor who joined the scheme in the manner prescribed under the Farmers' Pension and Social Security Benefit Regulations No. 1 of 1987, published in *Gazette Extraordinary* No. 452/12 of May 7, 1987, and has reached the age of sixty years or above as at January 1, 2014, shall be offered the pension benefits in compliance with the provisions of these regulations subject to the provisions of paragraph (2).

(2) Where there is an arrears of contributions to be paid by a contributor referred to in paragraph (1), prior to reaching the age of sixty years, pension benefits payable under these regulations shall be calculated as follows, taking into account the difference between the amount of contributions paid by the relevant contributor in the manner prescribed under the Farmers' Pension and Social Security Benefit Scheme Regulations No. 1 of 1987, published in *Gazette Extraordinary* No. 452/12 of May 7, 1987, and the amount of contribution to be paid by such contributor under these regulations according to his age :-

- (a) where there is an arrears of the pension benefits payable to the contributor for the period commencing from January 1, 2012 and ending on December 31, 2013, the balance amount shall be paid setting off the amount of any arrears payable by the contributor as contributions under these regulations ;
- (b) where the pension benefits payable to the contributor as referred to in paragraph (a) is less than the amount of the arrears of the contribution to be paid by the contributor, only an amount of one-third of such arrears shall be recovered from the monthly pension paid to the contributor, by deducting a sum of Fifty Rupees in each month.

14. Any contributor who has paid a lump sum as contributions under the Farmers' Pension and Social Security Benefit Scheme Regulations No. 1 of 1987, published in *Gazette Extraordinary* No. 452/12 of May 7, 1987 shall be entitled for the pension benefits under these regulations only after the payment of any difference between the amount of contributions already paid by him as the lump sum and the amount of contributions to be paid by contributor calculated as per the provisions of these regulations, as relevant to his age.

15. The Farmers' Pension and Social Security Benefit Scheme Regulations No. 1 of 1987, published in *Gazette Extraordinary* No. 452/12 of May 7, 1987, as amended from time to time, is hereby rescinded without prejudice to anything previously done thereunder.

16. In these regulations,

"Act" means the Farmers' Pension and Social Security Benefit Scheme Act, No. 12 of 1987 ;

"Agricultural and Agrarian Insurance Board" means Agricultural and Agrarian Insurance Board established under the Agricultural Insurance Act, No. 20 of 1999 ;

"legal heir" means the surviving spouse of the contributor and failing such spouse only one of the relatives by blood of such contributor in the order of priority as appears in the Schedule to the Act ;

"permanent partial disablement" means -

- (i) loss of sight of one eye ;
- (ii) loss of one arm ;
- (iii) loss of one leg.

"permanent total disablement" means -

- (i) loss of both arms ;
- (ii) loss of both legs ;
- (iii) loss of sight of both eyes ;
- (iv) loss of one arm and one leg ;
- (v) loss of one leg and loss of sight of one eye ;
- (vi) loss of one arm and loss of sight of one eye ;
- (vii) complete paralysis below the neck.

SCHEDULE A

(regulation 6)

<i>Column I</i>	<i>Column II</i>	<i>Column III</i>	<i>Column IV</i>
<i>Age at next date of birth that immediately following the enrolment to the scheme</i>	<i>Contribution as lump sum (Rs.)</i>	<i>Monthly Contribution (Rs.)</i>	<i>half year Contribution (Rs.)</i>
18	3628	27	160
19	3960	30	175
20	4323	32	191
21	4718	35	209
22	5149	39	229
23	5619	43	251
24	6132	47	275
25	6692	51	301
26	7302	56	330
27	7969	62	363
28	8695	68	398
29	9488	74	437
30	10353	82	481
31	11297	90	529
32	12328	99	582
33	13453	109	641
34	14682	120	707
35	16024	133	781
36	17490	147	864
37	19093	162	956
38	20846	180	1060
39	22763	200	1177
40	24860	222	1310
41	27155	248	1460
42	29668	277	1632
43	32421	311	1829
44	35439	349	2056
45	38749	394	2319
46	42380	446	2627
47	46369	508	2990
48	50755	581	3422
49	55580	670	3942
50	60893	778	4577
51	66749	912	5365
52	73210	1082	6366
53	80349	1304	7671
54	88246	1603	9431
55	96991	2027	11922
56	106684	2668	15692
57	117445	3745	22023
58	129415	5911	34756
59	142756	12435	73104

SCHEDULE B

(regulations 6)

<i>Column I</i>	<i>Column II</i>
<i>Age of Entitlement for Pension Benefit</i>	<i>Monthly Payment of Pension (Rs.)</i>
60 - 63	1,000.00
64 - 70	1,250.00
71 - 77	2,000.00
78 or above	5,000.00

SCHEDULE C

(regulation 10)

<i>Column I</i>	<i>Column II</i>	<i>Column III</i>	<i>Column IV</i>
<i>Age of the next date of birth on the date of disablement or death</i>	<i>permanent total disablement</i>	<i>permanent partial disablement</i>	<i>Death</i>
<i>Years</i>	<i>(Rs.)</i>	<i>(Rs.)</i>	<i>(Rs.)</i>
Up to 30	50,000	25,000	25,000
31 - 35	40,000	20,000	20,000
36 - 40	30,000	15,000	15,000
41 - 45	20,000	10,000	10,000
46 - 60	12,000	6,000	6,000

03 - 999