



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**EMPLOYEES' PROVIDENT FUND
(AMENDMENT)**

A

BILL

to amend the Employees' Provident Fund Act, No. 15 of 1958

*Presented by the Minister of Labour and Labour Relations
on 10th February, 2011*

(Published in the Gazette on December 13, 2010)

Ordered by Parliament to be printed

[Bill No. 73]

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STATEMENT OF LEGAL EFFECT

Clause 2 : This clause introduces a new subsection to section 3 of the Employees' Provident Fund Act, No. 15 of 1958, (hereinafter referred to as the "principal enactment") and the legal effect of the new subsection will be to assign an identification number to an employee and employer.

Clause 3 : This clause amends section 5 of the principal enactment and the legal effect of that section as amended will be to invest the moneys in the Fund to erect a building and to pay interest on the monies lying in the suspense account, for the actual period.

Clause 4 : This clause inserts new section 23A of the principal enactment and the legal effect of that section will be to extend housing benefits and benefits relating to medical treatment to every member of the Fund.

Clause 5 : This clause inserts new section 24A in the principal enactment and the legal effect of that section will be to establish an insurance scheme or a pension scheme.

Clause 6 : This clause amends section 31A of the principal enactment and the legal effect of that section as amended will be to increase the surcharge to two *per centum*.

Clause 7 : This clause inserts new section 31B of the principal enactment and the legal effect of that section will be to impose a duty on every employer having in his employment a minimum of fifty employees, to furnish a monthly return.

Clause 8 : This clause amends section 37 of the principal enactment and the legal effect of that section as amended will be to increase the fine and imprisonment.

Clause 9 : This clause amends section 46 of the principal enactment is consequential to the amendments made by clause 5.

Employees' Provident Fund (Amendment)

L. D. —O. 43/2008.

AN ACT TO AMEND THE EMPLOYEES' PROVIDENT FUND
ACT, NO. 15 OF 1958

BE it enacted by the Parliament of the Democratic Socialist
Republic of Sri Lanka as follows:—

1. This Act may be cited as the Employees' Provident Fund (Amendment) Act, No. of 2011. Short title.

5 **2.** Section 3 of the Employees' Provident Fund Act, No. 15 of 1958, (hereinafter referred to as the "principal enactment") is hereby amended by the insertion immediately after subsection (1) of that section, of the following new subsection:— Amendment of section 3 of Act, No. 15 of 1958.

10 “(1A) Where an employee becomes a member of the Fund established under subsection (1), the Commissioner-General of Labour shall assign an identification number to such employee and employer in the prescribed manner.”.

15 **3.** Section 5 of the principal enactment is hereby amended in subsection (1) of that section as follows :— Amendment of section 5 of the principal enactment.

(1) by the insertion immediately after paragraph (e) of that subsection, of the following new paragraph :—

20 “(ee) may invest according to such terms and conditions as may be prescribed such amount of moneys of the Fund which may become necessary for the construction on any land, purchased for that purpose or belonging to or held by the Fund, of a Secretariat on behalf of
25 the Employees' Provident Fund, for the use of the Fund;” and

2 *Employees' Provident Fund (Amendment)*

(2) in paragraph (ff) of that subsection, by the substitution for the words "account, for a period not exceeding six years prior to the date of such transfer, and" of the words "account and".

5 4. The following new section is hereby inserted immediately after section 23 of the principal enactment and shall have effect as section 23A of that enactment:—

Insertion of new section 23A in the principal enactment.

10 "Housing benefits and benefits relating to medical treatment. 23A. (1) Every member of the Fund who—
(a) has made contributions to the Fund for a period of not less than ten years;
(b) is presently employed; and
(c) possesses not less than three hundred thousand rupees to his credit in his individual account,

15 shall, for the purpose of—

- (i) housing; or
- (ii) medical treatment,

20 be entitled to withdraw such amount as does not exceed thirty *per centum* of the amount lying to his credit in his individual account.

25 (2) A member of the Fund who subject to the provisions of subsection (1) makes a withdrawal from the amount lying to his credit in his account, shall upon the completion of a period of ten years from the date of such withdrawal, subject to the provisions of paragraphs (b) and (c) of subsection (1) be entitled to make a second withdrawal of such amount as does not exceed thirty *per centum*
30 from such account for any one of the above purposes.

(3) Every member shall, during the period he is a contributor to the Fund be entitled to only two withdrawals from his individual account.

5 (4) For the purpose of this section—

“housing” includes—

- (a) the construction of a house on a land belonging to a member ;
- 10 (b) the purchase of a land for the construction of a house;
- (c) the purchase of a house;
- (d) the redemption of a mortgage on housing property; or
- 15 (e) the settlement of an outstanding balance of the housing loan received from the approved bank, by such member; and

“medical treatment” includes—

- (a) heart surgery;
- 20 (b) by-pass surgery;
- (c) treatment for cancer including surgery;
- (d) kidney transplant or surgery;
- (e) cesarean operation; or
- 25 (f) hospitalization for not less than fourteen days on the account of an accident.

4 *Employees' Provident Fund (Amendment)*

(5) A member of the Fund, his or her spouse and his or her children shall be entitled to the medical treatment referred to in this section.

5 (6) The Minister may appoint, by Order published in the *Gazette* different dates for the bringing in to operation of the provisions of sub-paragraph (i) or (ii) of subsection (1) .”.

10 5. The following new section is hereby inserted immediately after section 24 of the principal enactment and shall have effect as section 24A of that enactment:—

Insertion of new section 24A in the principal enactment.

15 “Insurance or pension scheme. 24A. (1) The Commissioner-General of Labour may establish an insurance scheme and a pension scheme as the case as may be for the benefit of the members of the Fund subject to such terms and conditions as may be prescribed.

(2) Every member of the Fund who wishes to join the insurance scheme or the pension scheme or the both schemes, shall be required to contribute the prescribed amount.”.

20 6. Section 31A of the principal enactment is hereby amended, by the substitution for the words “at the rate of one *per centum*” of the words “at the rate of two *per centum*”.

Amendment of section 31A of the principal enactment.

25 7. The following new section is hereby inserted immediately after section 31A of the principal enactment and shall have effect as section 31B of that enactment:—

Insertion of new section 31B in the principal enactment.

30 “Duty to furnish returns. 31B. It shall be the duty of every employer having in his employment a minimum of fifty employees to furnish a monthly return containing such particulars as may be prescribed, to the Commissioner-General of Labour with a copy to the Central Bank not later than the end of the succeeding month.”.

8. Section 37 of the principal enactment is hereby amended, by the substitution for the words “fine not exceeding one thousand rupees”, “term not exceeding six months” and “fine not exceeding fifty rupees for each day” of the words “fine not exceeding twenty thousand rupees”, “term not exceeding twelve months” and “fine not exceeding two hundred rupees for each day” respectively.

Amendment of section 37 of the principal enactment.

9. Section 46 of the principal enactment is hereby amended in subsection (1) thereof by the insertion immediately after paragraph (n) of that subsection of the following new paragraph:—

Amendment of section 46 of the principal enactment.

“(m) in respect of the procedure to be followed in granting housing benefits and benefits relating to medical treatment;”.

10. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of any inconsistency.

SCHEDULE

(Section 5B)

5 1. A person shall be disqualified from being appointed or continuing as a member of the Committee—

- 10
- (a) if he is or becomes a Member of Parliament, a Provincial Council or any local authority;
 - (b) if he is not or ceases to be a citizen of Sri Lanka;
 - (c) if he is under any law in force in Sri Lanka or in any other country, found or declared to be of unsound mind;
 - (d) if he is serving or has served a sentence of imprisonment imposed by any court in Sri Lanka or any other country; or
 - (e) if he had been removed from membership of the Committee for misconduct.

2. Every appointed member shall, unless he vacates office earlier by death, resignation or removal, hold office for a term of three years from the date of his appointment and unless he has been removed from office, be eligible for re-appointment.

Disqualification from appointment.

3. The Minister may by Order published in the *Gazette*, remove from office the appointed member of the Committee for physical or mental incapacity or for any act or thing which in the opinion of the Minister is likely to bring disrepute to the Committee.

4. Where an appointed member of the Committee is, by reason of illness, infirmity or absence from Sri Lanka for a period not less than three months, is temporarily unable to perform his duties, it shall be the duty of such member to inform the Minister in writing of such inability. The Minister may having regard to section 5B, appoint some other person to act in his place during the absence.

5. The members of the Committee shall be remunerated in such manner and at such rates as may be determined by the Minister, in consultation with the Minister in charge of the subject of Finance.

6. (1) The Chairman of the Committee shall if present, preside at all meetings of the Committee. In the absence of the Chairman from any such meeting, the Commissioner General of Labour shall preside at such meeting.

Term of office of members.

(2) An *ex-officio* member may at any time by prior notice in writing, nominate his deputy to represent him at any meeting of the

Termination of appointment of members.

Employees' Provident Fund (Amendment) 7

Committee to be held on a given date, if he is unable to attend such meeting due to unavoidable circumstances. Absence of members.

(3) The quorum for any meeting of the Committee shall be three members and the Committee may regulate the procedure in regard to the conduct of its meetings and the transaction of business at such meetings.

7. No act or proceeding of the Committee shall be invalid by reason only of the existence of a vacancy among its members or any defect in the appointment of a member. Remuneration of members.

Meetings of the Committee.

Proceedings, act or decision not to be deemed invalid by reason of any defect in the appointment.

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