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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**

My No : CI/1703

**THE INDUSTRIAL DISPUTES ACT. CHAPTER 131**

THE Collective Agreement (in English and Translation - into Sinhala) entered into between Sri Lanka Insurance Corporation Limited, No. 21, Vauxhall Street, Colombo 02 of the one part and the Jathika Sewaka Sangamaya, Alavi Kalamanakara Sangamaya, Wurthiya Ha Thakshana Vidayaka Niladaringe Sangamaya, Shaka Paripalana Sangamaya, Motor Ratha Engineeru Sangamaya, Thakshana Niladaringe Sangamaya, Rakshana Sanstha Podu Sewaka Sangamaya, Abyanthara Vikunum Niladaringe Sangamaya of the other part on 11th January 2017 regarding the Non 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).

A. WIMALAWEERA,  
Commissioner General of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05,  
21st February, 2018.



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I කොටස : (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2018.03.02

PART I : SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 02.03.2018

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**Collective Agreement No. 06 of 2017**

**Collective Agreement for Non Executive Grades 2016 - 2019**

**Between**

SRI LANKA INSURANCE CORPORATION LIMITED

AND

JATHIKA SEWAKA SANGAMAYA,

ALAVI KALAMANAKARA SANGAMAYA,

WURTHIYA HA THAKSHANA VIDAYAKA NILADARINGE SANGAMAYA,

SHAKA PARIPALANA SANGAMAYA,

MOTOR RATHA ENGINEERU SANGAMAYA,

THAKSHANA NILADARINGE SANGAMAYA,

RAKSHANA SANSTHA PODU SEWAKA SANGAMAYA,

ABYANTHARA VIKUNUM NILADARINGE SANGAMAYA

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**Collective Agreement for Non Executive Grades 2016 - 2019****Between**

SRI LANKA INSURANCE CORPORATION LIMITED

AND

JATHIKA SEWAKA SANGAMAYA,

ALAVI KALAMANAKARA SANGAMAYA,

WURTHIYA HA THAKSHANA VIDAYAKA NILADARINGE SANGAMAYA,

SHAKA PARIPALANA SANGAMAYA,

MOTOR RATHA ENGINEERU SANGAMAYA,

THAKSHANA NILADARINGE SANGAMAYA,

RAKSHANA SANSTHA PODU SEWAKA SANGAMAYA,

ABYANTHARA VIKUNUM NILADARINGE SANGAMAYA

This Collective Agreement is made and entered into on this 11th day of January 2017 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 Jathika Sewaka Sangamaya, Alavi Kalamanakara Sangamaya, Wurthiya Ha Thakshana Vidayaka Niladaringe Sangamaya, Shaka Paripalana Sangamaya, Motor Ratha Engineeru Sangamaya, Thakshana Niladaringe Sangamaya, Motor Ratha Engineeru Sangamaya, Thakshana Niladaringe Sangamaya, Rakshana Sanstha Podu Sewaka Sangamaya, Abyanthara Vikunum Niladaringe Sangamaya

being trade unions duly registered under the Trade Unions Ordinance (hereinafter referred to as 'Unions') of the other Part witnesseth :

Whereas the Unions have shown to the satisfaction of the Employer that they represent a majority of the Non-Executive Grade Employees employed by the Employer and the 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 in consideration of the above premises and the mutual terms and conditions hereinafter set out, the Unions and the Employer agree as follows :

**01. Title.**— This Agreement shall be known and referred to as "The Collective Agreement for Non-Executive Grades 2016-2019"

**02. Date of Operation and Duration.**— This Collective Agreement shall be effective from the First day of December Two Thousand Sixteen and shall thereafter continue to be in operation unless it is 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 Thirty First day of October, Two Thousand Nineteen. Any notice of termination of this Agreement given by either party prior to the Thirty First day of October, Two Thousand Nineteen 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 September, Two Thousand and Nineteen.

**03. Persons Covered and Bound.**— This Agreement shall cover and bind the Employer, the Unions, all members of Unions and employees in the Non-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 11th January 2017.

**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 Board of Directors.

The management agrees to update the HR Procedure manual and the Administrative procedure manual of the corporation.

**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 & 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 Sixteen, 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 01.12.2016 on the salary ranges set out at schedule 1 hereof, the following method of conversion shall apply.
  - (a) A 25% increase shall be effected on the current basic salary in respect of employees covered by this agreement.
  - (b) With effect from 01st December 2017, the basic salary of an employee covered by this agreement shall be further increased by 7.5%.
  - (c) With effect from 01st December 2018, the basic salary of an employee covered by this agreement shall be further increased by 7.5%.
- (3) The management shall endeavour to address and rectify any anomalies brought to its attention in writing in relation to salaries of the employees covered by this agreement within a period of 3 months.

**08. Transport Incentive.**— It is agreed by employer to pay a Transport Incentive of 10% of the monthly basic salary to those non-executives who are not enjoying any other travel related benefits.

The foregoing provisions shall not apply to non-executives who are presently enjoying the travel related benefits.

The management shall endeavor to address and rectify any anomaly brought to its attention in writing in relation to the existing relevant allowances and transport allowances paid to the professional/ technical categories within a period of 3 months.

#### **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, *i.e.* November 2016 (190.9 - CCPI 2006/2007), if any, based on the monthly variation of the CCPI figures released.
- (b) To arrive at the figure due for the month of December 2016, it is agreed by the employer to consider making the payment by computing any upward variation of complete points multiplied by Rs. 67/-, and add Rs. 1,533.40 hereafter considered as the minimum rupee figure.

- (c) Thereafter, the monthly cost of living payment will be computed on the basis of the upward movement of the CCPI 2006/2007 beyond the base year, if any, and in such instances, the difference of monthly figures will be multiplied by the rate of Rs. 67/- per point.
- (d) In the event, the CCPI - 2006/2007 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 makes any changes to the current CCPI by order published in the government *gazette*, to link it to the CCPI of 2006/2007, the employer agrees to make the necessary adjustments accordingly.

#### 10. Annual Bonus :

- (a) Annual profit bonus may be paid at the discretion of the management subject to availability of adequate profits, however not exceeding the bonus paid in 2015 December/2016 April, which amounted to the equivalent of 3 1/2 months basic salary in total.
- (b) In addition to the bonus referred to at a) above, a further special bonus will be made at the discretion of the management subject to achieving the criteria in the underwriting profit and/or gross written premium (GWP) of the general insurance business, in the following manner :
  - (i) Either 2% of the GWP in general insurance business or Rs. 400 million in underwriting profit for the year 2016 whichever is greater would qualify an employee to receive a bonus of one month's salary subject to a minimum of Rs. 40,000 in August 2017.
  - (ii) Either 2% of the GWP in general insurance business or Rs. 500 million in underwriting profit for the year 2017 whichever is greater would qualify an employee to receive a bonus of one month's salary subject to a minimum of Rs. 40,000 in August 2018.
  - (iii) Either 2% of the GWP in general insurance business or Rs. 625 million in underwriting profit for the year 2018 whichever is greater would qualify an employee to receive a bonus of one month's salary subject to a minimum of Rs. 40,000 in August 2019.
- (c) The bonus policy previously followed on un-availed medical leave shall continue to be in force for the duration of this agreement.

**11. Statutory Contributions.**— Contributions made by the Employer and Employees on statutory payments such as EPF, ETF and gratuity will continue at the same rates.

**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, job descriptions, KPI's (Key Performance Indicators) and Performance appraisals to meet requirements of the company while adhering to good governance practices.

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 policy.

**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, in house.

**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 management and the institution into disrepute 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, failing which by resorting to dispute resolution proceedings such as conciliation, before the Commissioner General of Labour under the provisions of the Industrial Disputes Act, prior to engaging in any form to Trade Union action in relation to such dispute or grievance. After having followed the above methodology of settlement of industrial disputes, the Unions shall give two working day's 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. Breach 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 *inter alia* 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.

Further if, in the opinion of the parties to this agreement, if either party has committed a breach of this Agreement, then and in such event the other party would also have the right to refer such matters to the Commissioner of Labour.

**17. Interpretation of the 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 Non 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*.



**19. Signatories to the Collective Agreement.**— In witness whereof parties have set their hand hereunto on this 11th day of January, Two Thousand and Seventeen, at Colombo.

For and on behalf of Sri Lanka Insurance Corporation Limited :

.....  
Chairman

.....  
Managing Director

For and on Behalf of :

Jathika Sewaka Sangamaya

.....

.....

Alavi Kalamanakara Sangamaya

.....

.....

Wurthiya Ha Thakshana Vidayaka Niladaringe Sangamaya

.....

.....

Shaka Paripalana Sangamaya

.....

.....

Motor Ratha Engineru Sangamaya

.....

.....

Thakshana Niladaringe Sangamaya

.....

.....

Rakshana Sanstha Podu Sewaka Sangamaya

.....

.....

Abyanthara Vikunum Niladaringe Sangamaya

.....

.....

Witnesses :

- |   |  |
|---|--|
| (1) .....   | (2) .....  |
| Sri Lanka Insurance Corporation.  | J. M. A. Douglas,<br>Additional Secretary,<br>Ministry of Public Enterprise Development. |
| (3) .....   | (4) .....  |
| Sameera Jayawardena<br>Asst. Secretary (Boards & Corporations)<br>Ministry of Finance |  |
| (5) .....   | (6) .....  |
| (7) .....   |  |
| Vajira Ellepola<br>Deputy Director-General, EFC.                                      |  |

**Schedule 01**

Non Executives

Non Sales

Grade	Minimum	Maximum
Clerk Grade - I	33,413	127,119
Clerk Grade - II	30,375	115,563
Clerk Grade - III	28,350	108,340
Non Clerical Grade - I	28,350	108,340
Non Clerical Grade - II	25,819	98,228
Non Clerical Grade - IIIB	24,806	82,338
Minor Grade - IV	23,794	72,227
Minor Grade - V	22,781	53,448

Sales

Grade	Minimum	Maximum
Clerk Grade - I	19,975	54,892
Clerk Grade - II	18,100	50,559
Clerk Grade - III	15,600	44,780

Technical

Grade	Minimum	Maximum
Technical Officer Grade - I	33,413	127,119
Technical Officer Grade - II	30,375	115,563
Technical Officer Grade - III	28,350	108,340

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