

**Department of Management Services**

Ministry of Finance & Planning,  
General Treasury, Colombo 01.

My No: UGC/D/1/UGC/S&A

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Secretary,  
Ministry of Education.

**Restructuring of Salaries of Staff of the University Grants Commission and the Universities - 2006**

The salary scales mentioned in the annexure II which were recommended to the staff of the University Grants Commission and Universities have been approved by the National Salaries and Cadre Commission. The relevant salary scales should be operated with effect from 01.01.2006 under the following conditions.

1. The method of absorption of university staff into the new salary structure is given in the annexure I
2. The new salary structure applicable to the staff, categorized according to the 1 above is given in the annexure II
3. As a preliminary step to formulate a national salary structure, a new salary structure was introduced to the government employees by the Public Administration Circular No: 06/2006 based on the total of the salary paid as at 31.12.2005, the interim allowance of 10% of the salary and the monthly allowance of Rs.1200/-. Generally, this is the policy adopted in principle in the revision of salaries of all the government institutions including universities.

In addition, when preparing salary structure for the staff of the State Organizations such as State Corporations, Statutory Boards and Universities, where there is non-pensionable staff, it was taken into consideration that they are not entitled to pensions. Accordingly, this basis was applied in formulating the salary structure of the University Staff. However, it was revealed in the recent past the University staff was granted several salary increases which other State Organizations do not enjoy, irrespective of the general policies, in addition to the above mentioned common interim allowances. Even if these salary increases were not applicable to the other sectors of the Public Service the fact that the University Staff is already in receipt of these allowances was considered. Hence, with the implementation of the new salary scales a special method was designed to absorb after adjusting their salaries including such allowance without causing a monetary loss. Accordingly, based on the number of increments earned as at 31.12.2005 by each employee of the University staff, they should be placed on the corresponding salary step of the relevant salary scale applicable to the grade concerned.

In instances where the monetary value of the salary step so determined is less than the

gross salary drawn by each employee along with the total of the following allowances, such employee should be placed at the closest corresponding salary step of the new salary scale.

I. Interim Allowance of 10% of the salary.

II. Monthly Interim Allowance of Rs.1200/-

III. Payments made according to the report submitted by the Sri Lanka Institute of Development Administration;

a) Interim Compensatory Allowance

b) Interim Allowance

c) The Monthly Interim Allowance of Rs. 500/- which is recoverable.

d) The other allowances paid on the basis of the above report

IV. Monthly Compensatory Allowance

If the total of the above calculations falls between two steps of the new salary scale, the higher step will be considered as the new salary step. The existing staff should be absorbed into the new salary scales after placing each employee on the new salary step on a personal to the holder basis. However, the employees recruited after 01.01.2006 should necessarily be placed on the initial steps of the new salary scales. The absorption of the employees who are currently in service should be essentially in accordance with the annexures I and II and any change should not be done without the approval of this Department.

With the implementation of the new salary structure, payment of the above mentioned allowances from I to IV should be stopped.

4. The salaries of the employees recruited to the University System after 04.03.1997 and before 01.01.2006 should be calculated as mentioned above; assuming that they have been paid the monthly Compensatory Allowance.

5. The payment of salaries to the University staff should also be made subject to the percentage limits specified in the Public Administration Circular 06/2006. Accordingly, 50% of the difference between the salary inclusive of the allowances mentioned in (i) and (ii) of (3) above paid as at 31.12.2005 and the proposed salary or the salary currently paid inclusive of all the above mentioned allowances whichever is higher should be paid during the period of 01.01.2006 to 31.12.2006

and the proposed new salary should be paid in full with effect from 01.01.2007.

6. Granting of stagnation benefits for those on the maximum of the salary scales should be discontinued with effect from 01.01.2006. In absorption, the employees who are already in receipt of a higher salary than the maximum step of the relevant salary scale should be granted the number of salary increments earned and should be frozen at the present level on a personal to the holder basis. For this purpose, the relevant salary step should be calculated by the addition of the value of the salary increments relevant to the salary step, to the maximum step of the salary scale.

7. The officers/employees recruited after 01.01.2006 should be placed at the initial point of the proposed salary scale, due to the reason that new salary scales have been prepared as an initial step of formulation of a National Salary Structure. The amendments with regard to schemes of recruitment should be made accordingly.

8. The academic allowance, which is presently paid for the academic staff of the universities, is limited to 25% of the salary with effect from 01.01.2006.

9. A Monthly Cost of Living allowance of Rs.1000/- will be paid to all the officers/employees with effect from 01.01.2006. All the changes made with regard to this allowance, in respect of government employees, will also be applicable to the university staff.

10. The requests for further clarifications, information or instructions with regard to this salary conversion should be referred to the Secretary, National Salaries and Cadre Commission, situated in Bandaranaike Memorial International Conference Hall, Bauddhaloka Mawatha, Colombo 07.

11. Enquiries in respect of funds required for the payment of salaries could be made from the Director General of National Budget.

Sgd S B Diwarathna  
Deputy Secretary, Treasury

Cc:

1. Chairman- University Grants Commission
2. Secretary, National Salaries and Cadre Commission
3. Director General- Department of National Budget
4. Director General- Department of Public Enterprises.
5. Auditor General
6. General File.