



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 02/2012

30th January, 2012

Vice-Chancellors of Universities
Rectors of the Campuses
Directors of the Institute

**RECKONING OF THE COST OF LIVING ALLOWANCES FOR THE PURPOSE
OF COMPUTATION OF UNIVERSITIES PROVIDENT FUND , EMPLOYEES
TRUST FUND AND PAYMENT OF GRATUITY**

This has reference to the Commission Circular No: 952 of 18th March 2011 and the Establishment Circular Letter No: 14/2011 of 19-07-2011 on the above subject.

- 1) Your kind attention is drawn to the Paragraph (A) titled “UPF & ETF for the existing employees” and Paragraph (B) titled “UPF and ETF for employees who have retired/resigned/vacated office”. Accordingly contribution for UPF & ETF should be computed and informed the UGC as per guidelines (2) to (6) of circular.
- 2) UPF Contribution for Existing Employees
 - a. The amount entitled as employee’s contribution of 10% towards UPF should be sent to the University Grants Commission in 20 instalments as per the Establishment Circular 14/2011 dated 19th July, 2011.
 - b. In the case of employees who are not members of the Pension Fund, the amount entitled as employer’s contribution of 15% towards UPF without interest payable should be computed and informed the UGC in 10 instalments with the *monthly contribution text format* with effect from March 2012.

- c. In the case of employees who are members of the Pension Fund, the amount entitled as employer's contributions of 7% towards UPF without interest payable should be computed and informed the UGC in 10 instalments with the *monthly contribution text format* with effect from March 2012.
- d. Funds to finance the employer's contribution of UPF as computed in above (b) & (c) on reckoning of Cost of Living Allowance (COLA) will paid to the Universities Provident Fund by the UGC.
- e. Accordingly, individual member's account will be adjusted by the University Grants Commission crediting the entitled contribution on reckoning of COLA.
- f. The reconciliation of said UPF arrears on reckoning of COLA and Monthly contributions for the current month included in the *monthly contributions text format* should be separately mentioned in the covering letter as given below.

Ex.	i. Monthly contributions sent by the HEIs (cheque No.)	Rs. xxx
	ii. UPF arrears (employee's contributions) on reckoning COLA instalment, financed by the UGC	Rs. <u>xxx</u>
	Total of the monthly contributions text format	Rs. xxx ===

3) UPF Contribution for retirement/resignation/vacation of office

- a. In the case of employees who were not members of the Pension Fund, the amount entitled as employer's contribution of 15% towards UPF without interest payable should be calculated up to the date of retirement/resignation/vacation of office and informed the UGC by the respective Universities & HEIs in Format A.
- b. In the case of employees who were members of the Pension Fund, the amount entitled as employer's contribution of 7% towards UPF without interest payable should be calculated up to the date of retirement/resignation/vacation of office and informed the UGC by the Universities and HEIs in Format A.
- c. Funds to finance the employer's contribution of UPF arrears on reckoning of COAL will be provided by the UGC to the respective HEIs to effects the refunds.

4) ETF contribution of employees

- a. The amount entitled as ETF contribution of 3% without accumulated interest should be calculated and informed the UGC by the respective HEIs in Format B.
- b. Accordingly, necessary funds will be provided by the UGC to respective HEIs to finance the ETF contribution on reckoning of COLA as per the Establishment Circular No.14/2011.

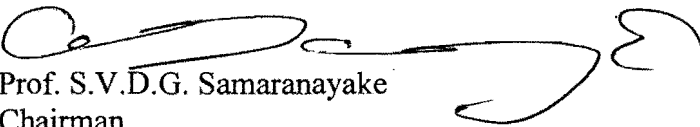
5) UPF contribution on reckoning of COLA computed as per the Establishment Circular No.14/2011 should be informed the UGC on or before 15th February 2012 in Format C & D.

Format C - Employer's contribution (15% or 7%) for existing employees

Format D - Employee's contribution (10%) for existing employees

- 6) In respect of employees who have retired/resigned/vacated post or transferred to other HEIs, the computation of arrears UPF contribution on reckoning of COLA on account of these members should be done by the HEIs which the employees last served/serves.
- 7) The soft copy of the above Formats A, B, C & D should be sent in Excel format to the Provident Fund Unit - UGC on or before 15th February, 2012. The hard copy of the above formats should be duly certified, recommended and audited by the respective officers and approved by the Vice-Chancellors of the HEIs.

This circular will be available at www.ugc.ac.lk for down load.


Prof. S.V.D.G. Samaranayake
Chairman

- Cc.
1. Vice-Chairman/UGC
 2. Secretary/UGC
 3. Accountant/UGC
 4. Registrars
 5. Bursars
 6. Chief Internal Auditor
 7. Internal Auditors