



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Communications Department

30, Janadhipathi Mawatha, Colombo 01, Sri Lanka.

Tel : 2477424, 2477423, 2477311

Fax: 2346257, 2477739

E-mail: dcommunications@cbsl.lk, communications@cbsl.lk

Web: www.cbsl.gov.lk

Press Release

Issued By Employees' Provident Fund Department

Date 02 June 2012

Clarification on Posting of amounts recovered through legal action to individual EPF member accounts

The objective of this press release is to get the record right in respect of the news item that appeared in some newspapers on 28th and 29th May 2012 under the caption '**An amount of Rs. 3,450 million recovered by the Commissioner of Labour through legal action has not been credited to member accounts: The factual position is as follows.**

The Commissioner of Labour takes legal action against the employers who evade the payment of member contributions in respect of their employees. In such instances, Courts sometimes grant permission to such employers to pay the arrears in installments, when such a request is considered appropriate. Such concessionary period may range from 5 to 10 years in some occasions depending on the sums in arrears to be settled. In those instances, the money collected from those employers are credited to the Account of the Commissioner of Labour maintained at the Central Bank until the collection of the entire amount due from the respective employers. Upon receipt of the entire dues in arrears, the Commissioner of Labour sends the relevant 'C Forms' to EPF Department of the Central Bank instructing the Department to credit the respective sums to each individual member account, including the

interest due for the relevant period. Hence, the entire amounts recovered through litigation are credited to each member account upon receipt of the relevant 'C Form' from the Commissioner of Labour. Further, when the amount of monthly contributions sent by employers do not match with the amount recorded in the 'C/C3 Forms', or if an employer has sent 'C/C3 Forms' with errors, the EPF Department is not in a position to credit such contributions to the individual member accounts. In such instances, in compliance with the EPF Act, the relevant contributions are credited to an Under-payment and Over-payment Account, while the relevant employers are notified to remit the balance amount due, or send the corrected 'C/C3 Forms' to the EPF Department, as the case may be. On receipt of the required information or balance money, the relevant monthly contributions with the interest due are credited to the individual member accounts, in accordance with the EPF Act. In the meantime, the amounts lying to the credit of the afore-mentioned two accounts are invested, together with other funds.

As of now, a sum of Rs. 650 mn out of the balance lying in the Account of the Commissioner of Labour and Rs. 240 mn out of the balance lying in the Under-Payment and Over-Payment Account as at 31 December 2010, have already been credited to the relevant individual member accounts. The balance amounts in these accounts would also be credited to the relevant member accounts in due course, in accordance with the law. Accordingly, the public is hereby informed that there have been no inaccuracies, lapses or deficiencies as suggested in some newspapers, and that the Employees' Provident Fund has credited all payments due to individual member accounts, as provided in the Act.