PAYMENT OF GRATUITY
(AMENDMENT)
ACT, No. 62 OF 1992

[Certified on 13th November, 1992]
Payment of Gratuity (Amendment)
Act, No. 62 of 1992

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L.D.—O. 2/91

AN ACT TO AMEND THE PAYMENT OF GRATUITY
ACT, NO. 12 OF 1983

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

1. This Act may be cited as the Payment of Gratuity

2. Section 5 of the Payment of Gratuity Act, No. 12 of
1983 (hereinafter referred to as “the principal enact
ment”) is hereby amended by the addition of the following
new subsection immediately after subsection (3) there-
of:—

‘(4) Any employer who, being liable to pay any sum
due as gratuity to a workman or his heirs, as the case
may be, under subsection (1), fails or defaults to pay
that sum, on or before the due date, he shall be liable
to pay to that workman or his heirs, as the case may
be, in addition to the sum due as the gratuity, a
surcharge on that sum calculated in the following
manner:—

(a) where the payment of the gratuity has been in
arrears for a period not exceeding one month from
the due date, a surcharge of ten per centum of
the sum due as gratuity;

(b) where the payment of the gratuity has been in
arrears for a period exceeding one month but not
exceeding three months from the due date, a
surcharge of fifteen per centum of the sum due
as gratuity;

(c) where the payment of the gratuity has been in
arrears for a period exceeding three months
but not exceeding six months from the due date,
a surcharge of twenty per centum of the sum due
as gratuity;

(d) where the payment of the gratuity has been in
arrears for a period exceeding six months but
not exceeding twelve months from the due date,
a surcharge of twenty-five per centum of the sum
due as gratuity;
(e) where the payment of the gratuity has been in arrears for a period exceeding twelve months from the due date, a surcharge of thirty per centum of the sum due as gratuity.

For the purposes of this section, the expression “due date”, in relation to a gratuity, means the thirtieth day from the date of termination of the services of the workman to whom the gratuity is payable.’.

3. Section 8 of the principal enactment is hereby amended by the addition of the following new subsection immediately after subsection (7) thereof:

‘(8) For the purposes of this section, the expression “gratuity” includes any surcharge payable under subsection (4) of section 5.’.

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