

My No: E/III/3/4
Ministry of Public Administration, Home
Affairs and Plantation Industries,
Independence Square,
Colombo 07.

8th December 1997.

All Secretaries to Ministries and
Heads of Departments.

Special Advance to Public Officers 1998

It has been decided that a special advance not exceeding Rs. 1000/- be paid in 1998 to the following public officers.

- (a) All permanent public officers are eligible to draw the special advance.
- (b) Temporary and Casual public officers with a continuous period of employment of not less than three months immediately prior to the date of the payment of the advance and with definite prospects of being in continuous employment for the full period in which the loan is recovered, (i.e. at least upto the end of December, 1998) too are eligible to draw the special advance.
- (c) If this advance is to be paid to Casual and Temporary employees a permanent employee in the Public Service should sign an agreement as a guarantor.

02. A public officer who has defaulted payment of installments on Special Bank Loans/Special Advance drawn by him, if any, for the calendar years from 1977 to 1997 will not be eligible for this special advance of 1998.

03. The payment of this advance should be completed between the period of 01.01.1998 to 28.02.1998. No payment should be made after 28.02.1998.

04. This advance should be debited to "Advance to Public Officers Account - B".

05. The advance is recoverable in 10 equal monthly installments together with equated monthly interest at the rate of 14% per annum. The equated monthly interest on an advance of Rs. 1000/- is fixed at Rs. 6.42. A proportionate equated monthly interest should be charged for advance less than Rs. 1000/-.

06. The recoveries made on account of this advance are exempted from the 40% or the 33 1/3% limit, set out in F.R. 238 and Chapter XXIV Section 3 of the Establishments Code.

07. Recoveries of installments of principal should be credited to the "Advance to Public Officers Account B" from which this advance is payable. Recoveries of interest should be credited to Revenue Head 5, Rents Interest, Profits and Dividends received sub Head 2

Interest. Item 2, Government Loans Sub Item 1, Public Institutions and accounted for separately. The recoveries should be completed by 31.12.1998.

08. These recoveries should not be mixed up with Festival or other advance payable from "Advance to Public Officers Account" or with Special Bank Loans 1977, 1978 and 1979.

09. A separate Register on Form C.C.10 should be maintained for recording the payment and recovery of installments of capital and the equated monthly interest.

10. Heads of Departments should take action to revise the limits of the Advance Account, where necessary in terms of F.R. 503 and in terms of Public Enterprises Division's Circular Letter No. 43 of 11.09.1987.

11. Regarding a public officer who is transferred, the procedure normally adopted in respect of recoveries of advances from advance Account should be followed i.e. the outstanding balance of the balance should be paid to the department releasing the employee by the Department taking him in debiting its "Advance to Public Officers Account - "B" and thereafter recoveries continued in installments, ensuring that in any case the recoveries are completed by end of December, 1998.

12. Where an officer who obtained an advance under this scheme ceases employment the Pay and Establishments Units should ensure that the balance advance outstanding (including equated interest) from such employee is recovered from his pension/provident fund/security/gratuity or other monies payable to him and if he is a temporary officer from his last month's pay.

13. The advance is paid in addition to the advances/loans paid under Public Administration Circular No. 293 of 03.06.1985.

14. By making necessary amendments to the Specimen Application form annexed to Public Administration Circular No. 268 of 25.09.1984, application forms for this advance should be prepared by the granting authority.

15. In view of the payment of this special advance, Special Bank Loans will not be paid in 1998.

16. Please bring the contents of this Circular to the notice of all eligible officers in your Department.

17. This Circular is issued with the concurrence of the Treasury.

Sgd: Dixon Nilaweera
Secretary
Ministry of Public Administration, Home
Affairs and Plantation Industries.