





# National Pensioners' Day

8th October 2022



## Pension Department ensures peaceful retirement for Govt servants

Pension Department Director General A Jagath D Dias in an interview with the *Daily News* yesterday said that the department is striving to ensure that the Government servants are leading a peaceful and happy life after retirement "Our basic vision is to create an economically and socially satisfied retirement community. Our vision and mission is basically to provide a legal benefit to retirees and their beneficiaries by using information technology and sustainable management methods to ensure high client satisfaction", Dias said

### ♦ What is the vision and mission of your department?

Our basic vision is to create an economically and socially satisfied retirement community. Our vision and mission is basically to provide a legal benefit to retirees and their beneficiaries by using information technology and sustainable management methods to ensure high client satisfaction. And we have many goals. It is through those goals that we try to complete our vision and mission.

### ♦ Who is entitled to a pension?

Only the government officials with permanent and pensionable appointments in public service as well as permanent and formally retired government officials who have completed a minimum of 120 months of service are entitled to pension.

### ♦ How many beneficiaries are receiving pension as of today?

We have to separate them as those who receive pension from government service, then dependents who live on their income, and those who receive benefits as post-beneficiaries. If we take all those people together, nearly 700,000 are beneficiaries as per our data systems. But we have temporarily stopped some persons from this. There are also a number of people whose pensions have been temporarily stopped due to various discrepancies, errors and frauds, as well as delay in obtaining a certificate of living, traveling abroad without informing.

### ♦ What is the approximate number of beneficiaries leaving pension entitlements and new beneficiaries joining each year?

One part is the civil pensioners of the public service. The other group is the retired community of the armed forces. Annually, approximately 27,000 to 28,000 people from these two segments are included in the register of pension beneficiaries. Pension entitlements lapse especially at the death of the beneficiary. Annually, about 16,000 pensioners die mostly of natural causes. But about 90% of them join again as widows, widowers or as orphans with entitlement for pensions.

### ♦ How much does the government spend per year to pay pension benefits?

If we look at the year 2022, an amount of nearly three hundred and sixty billion rupees, that is, Rs. 360,000 million has been allocated. We are not only paying pensions, but the compensations and allowances of those who served in the armed forces and the police who were disabled or got killed during the war is paid up to the age of 55 as if they were alive. An amount of 42 billion rupees is paid for that through the Department of Pensions. In addition to this, monthly pensions and gratuities of widows and other civilian pensioners amount to 315 billion rupees to 320 billion rupees annually. It has been estimated that in 2023, nearly 43

billion rupees will be paid for the compensation and allowances of the dead and disabled in the armed forces, over 66 billion for gratuities and nearly 320 billion for monthly civilian pensioners.

### ♦ Explain the history of pension system in detail.

If we take the history of the pension system, Sri Lanka was a British colony, when they interfered with the administrative structure of this country, a pension system was introduced for the maintenance of their widows and survivors. They introduced this method to every country that had been colonized by Britain. That is how, Sri Lanka also got a pension system. This system evolved from 1898. In 1910, a pension system was introduced for judicial and public service officers. Then in 1934, a legal document called the Pension Constitution Code was introduced. Later, in 1948, 1972, and 1975, the pension system was developed by incorporating the rules and regulations. In 1942, Public Service Provident Fund system was introduced for casual, temporary, substitute and daily workers without pension. Teacher Widows, Widows and Orphans Fund System, Armed Forces Pension and Gratuity Constitution Code and Armed Forces Widows and Widowers and Orphans System, Widows / Widowers and Orphans System and Provincial Service Pension System thereafter came into existence. In this way, as a system with a history of over 125 years, this social security system is being continued through the Department of Pensions.

### ♦ Is the pensioner a burden to the government today?

The pensioner is not a burden to the government. If the government's production lines, government's revenue streams, gross domestic product, gross national product have increased, then paying this is not a burden for the government. There are 22 million people in our country. More than a million of them are abroad. But the problem is that when compared with other developed countries, the government service in our country is huge. In other countries, the civil service is much smaller. In our country, there are around 1.3 million people who are working in permanent government jobs along with those who are currently receiving pensions. In addition to the central government, provincial government services, and local government services and those in government enterprises, there are nearly three hundred thousand people. If we

take the total of these two, the number is almost 1.6 million. When compared with the number of people, it was revealed that there is one government employee for every 17 persons in the country as per a survey conducted a few years ago. Out of this, there are over 1.3 million pensioners. Other officers of the armed forces and the police are also included in this calculation. Based on this number and with the decrease in government revenue, we feel this as a burden. Therefore, we have to increase the national income. Likewise, we have to maintain a minimum number of employees and introduce new systems and pension reforms. If a contributory pension system is introduced, this will not be a burden on the government.

### ♦ What is the procedure adopted by the Department of Pensions to get the salaries of the pensioners who are retiring at once, without any delay?

This is not the delay of the Department of Pensions. If someone's retirement date is today, the opportunity has been given to get the application form to the Department of Pensions 90 days before that date. This is now available online. We have given this opportunity to give them the pension from the month after the month of retirement. Unfortunately, there are a very few of them, who do not submit their applications on time. So the delay is not ours. We take only three days to complete this work. It is the responsibility of the Head of Institution to submit the correct application. However, submission of applications with shortcomings, unclear applications and the taken to resubmit the application and the time consumed when we have to engage in the same work twice or three owing to the above after an application is rejected, there can be delays as we have to minimize such shortcomings, in order to eliminate this delay, especially the heads of relevant institutions should update and maintain the personal files of their employees. Similarly, we tell retirees to pay attention to their personal files at least six months before retirement. If there are deficiencies please rectify them. Otherwise, their pension will get delayed.

### ♦ What arrangements are in place to expedite payment of delayed pension gratuities?

Recently, due to the Corona pandemic situation, there was a significant impact on the normal life of the country as well as the office process. It is not secret that the pension activation and gratuity payment process of the Department of Pensions got hampered. But the departmental staff continued the process of disbursing monthly pension without harming any pensioner. But due to the decrease in government revenue and the government having to allocate money to fight diseases and provide relief to the people, the amount of money allocated to pay pension gratuities gradually decreased. Therefore, a significant number of pensioners had to wait on a waiting list to receive the gratuity. But in the year 2021, Rs. 29 billion and by September 2022, over Rs. 13 billion could be paid as gratuity. The attention of the Cabinet of Ministers has been focused on this. The General Treasury has been instructed to release the necessary funds to pay the gratuity within a period of 6 months for the pensioners who are entitled for their first pension in the year 2022.



A. Jagath D. Dias  
Director General - Pension Department

Therefore, it is believed that the existing problematic situation regarding the payment of gratuity could be alleviated and thus the pensioners would get some relief.

### ♦ What is the purpose of compulsorily calling the government officers to the head office of the Department of Pensions on retirement?

It is what we call the pension activation process. When a pension is paid, we only see the paper. We don't know if such a person really exists. And pension frauds are happening. Even people who are not entitled to a pension have been paid due to carelessness in scrutinizing the applications. Such payments may already be in existence in our data system. At the level of the Divisional Secretariats, there can be flaws in their files. Sometimes, those institutions or departments may be closed by now. It is very difficult to identify such flaws under the old method. It is because of these shortcomings that we introduced the technology. Now you can apply online. Then we know who is sending us these. There is a specific person in a ministry or department who sends them. Only he can send the application. So we know that a wrong application form cannot be sent now. By calling the pensioner to the Head Office, a physical examination is done with the IT system, as well as updating the necessary information of the beneficiaries, taking fingerprints and issuing pensioner ID cards, etc.

### ♦ How does the "Sathkara Piyaasa" pension activating process take place?

We receive applications related to pensioners through IT systems via online through decentralized and centralized methods for payment of first pension. After the applications are approved, the pensioners are invited to the "Sathkara Piyaasa" pension activation program and we obtain his

confirmation and all his family information and complete the basic requirements related to the process of providing widow, widower and orphan fund benefits. Obtaining the finger prints for efficient implementation of the issue of Living Certificate, obtaining details about any disabled children, whether divorced and including all their information along with a photograph of spouse of the pensioner and a Pension Entitlement Card is issued. Similarly, the pensioner ID card will also be issued. The information is stored in an IT system managed by our department and kept for future reference. This has made it possible to facilitate the management of post-benefits efficiently. Then we know the person. We know who his successors are. Because of the fingerprints we take here, there is no need to give the proof of residence obtained through the Grama Niladhari. We have introduced the method of verifying fingerprints through 415 public and private bank branches and restoring the data to our system. All pensioners who retired after 2016 and gave us fingerprints can follow this system. Here, when you go to the bank, give your ID card and give your fingerprints, it will be compared with the department's data system to confirm that the pensioner is alive. It is a result of the Sathkara Piyaasa programme.

### ♦ What do you specifically expect from retirees and post-beneficiaries?

To provide the living certificate and residence certificate obtained annually from the pensioners within the prescribed time limits, and also to report in the cases of changes in the divisional secretariat division of their residence or when migrated etc., and to report the relevant information to the divisional secretariat or the Department of Pensions when a pensioner dies, in particular, children and subsequent beneficiaries are requested to report any deaths directly to our institutions. In this way, pension frauds can be avoided and the money given by tax payers can be properly managed for pension expenditure.

### ♦ Will there be any special program in conjunction with National Pensioners Day this year?

Under the prevailing economic, social and political conditions of the country, no events have been arranged to celebrate the National Pensioners Day. But our attention has been drawn on the suffering of the entire population, including the pensioners, owing to country's transportation costs and inflationary situation. Accordingly, taking into account the difficulties faced by pensioners coming from distant areas to the Colombo head office, we have taken measures to decentralize the "Sathkara Piyaasa" program at the district level. Accordingly, we have identified 5 districts. They are Matara, Anuradhapura, Badulla, Kandy and Kurunegala. We are ready to decentralize the "Sathkara Piyaasa" program through the district secretaries here. Arrangements have been made to carry out its initial program at the Matara District Secretariat on the National Pensioners Day on 8th October. All these activities have been prepared to provide real care to the senior citizen pensioners of the nation.

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