



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය The Gazette of the Democratic Socialist Republic of Sri Lanka

අති විශේෂ EXTRAORDINARY

අංක 1371/4 – 2004 දෙසැම්බර් 13 වැනි සඳුදා – 2004.12.13

No. 1371/4 – MONDAY, DECEMBER 13, 2004

(Published by Authority)

PART I : SECTION (I) – GENERAL

Government Notifications

My No. CI/495.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Merchant Bank of Sri Lanka Limited, Bank of Ceylon Merchant Tower, No. 28, St. Michael's Road, Colombo 03 of the one part and Ceylon Bank Employees' Union, No. 20, Temple Road, Colombo 10 of the other part on 08th October, 2004 is hereby published in terms of Section 6 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

MAHINDA MADIHAHEWA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
19th November, 2004.

Collective Agreement No. 38 of 2004

AGREEMENT

This Collective Agreement is made and entered into at Colombo on this 8th day of October Two thousand and Four between **Merchant Bank of Sri Lanka Limited** having its registered office at Bank of Ceylon, Merchant Tower, No. 28, St. Michael's Road, Colombo 3 (hereinafter referred to as "**the Bank**") of the ONE PART and the **Ceylon Bank Employees' Union**, having its registered office at No. 20, Temple Road, Colombo 10 (hereinafter referred to as "**the Union**") of the OTHER PART.

WHEREAS the Union made demands and discussion took place for the purpose of revising the terms and conditions of employment. It is now agreed by and between the parties as follows:-

1. **Effective Date.**—This Agreement shall be effective from the *First day of January Two Thousand and Four* and shall remain in force, unless terminated by either party with One month's prior written notice to the other, provided however, that such notice shall not be given by either party prior to the *Thirtieth day of November Two Thousand and Five* and any notice given prior to that date shall be invalid.

2. **Parties Covered.**—This Agreement shall cover and bind the Bank, the Union and all employees in the categories and grades mentioned in Schedule 1 hereto.

3. **Salaries.**—(i) Whereas the Bank has already revised the salaries of employees covered and bound by this Agreement by a sum equivalent to 8% of the salaries applicable to such employees as at December, 2003. The Bank agrees to enhance the said revision by a further 2% with effect from 1st January, 2004 on the same basis.

(ii) With effect from 1st January, 2005, the Bank agrees to increase the salaries of the employees covered and bound by this Agreement by a sum equivalent to 10% of the salaries applicable to such employees as at December, 2004.

4. **Bonus.**—The Bank will continue to pay an annual Bonus equivalent to one and a half months' salary to each employee.

5. **Reimbursement of interest on Housing Loan.**—(i) The Bank agrees to reimburse the interest on Housing Loans obtained by the employees who have completed a minimum period of 2 1/2 years service after confirmation in employment, subject to the conditions set out hereunder:—

- (a) The loan shall be obtained from the State Mortgage and Investment Bank, National Savings Bank, Housing Development and Finance Corporation or Bank of Ceylon subject to interest rates and whatever other conditions set by the said Banks.
- (b) The maximum amount of the loan shall not exceed LKR 750,000/-.
- (c) The Bank will reimburse the loan recipient employee each month the amount paid by such employee by way of interest over and above 6% per annum on such Housing Loan, subject to a maximum interest component of 12% per annum, i.e. the reimbursable limit of the interest component for the entire loan (i.e. Local currency LKR 750,000/-) will be between 6% and 18% per annum.

6. **Distress Loan.**—The Bank shall provide a Distress Loan upto six months' salary at an interest rate of 6% per annum repayable in 18 months in case of the following situations:

- (i) Damage to residence owned by the employee or spouse due to a natural calamity, such as, a fire, cyclone or flood.
- (ii) Death of a family member, i.e. father, mother, children, father-in-law or mother-in-law.
- (iii) Loss of money or movable property due to theft or burglary. In such instances the loan is subject to the facts being verified.

7. **Motorcycle Loan.**—The Bank shall make available a loan upto LKR 75,000 for the purchase of a Motorcycle at an interest rate of 6% per annum, the principal and the interest being recoverable within a period of 4 years. This loan may be granted once in three years provided however that any earlier loan obtained by an employee is fully settled at the point of the employee requesting the loan.

8. **Insurance.**—(i) The Bank will provide insurance cover to the employees on the following basis:

- (a) Personal Accident Cover up to LKR. 300,000 and shall include accident, riot, civil commotion and terrorist activities.
- (b) Natural Death Insurance up to LKR 100,000. (The policy shall operate on a 24 hour basis, irrespective of where the employee is at the time of the event leading to the payment of Insurance).

9. **Accumulation of Sick Leave.**—Employees shall be entitled to accumulate sick leave up to a maximum of 60 days to be availed of only in situations of hospitalisation and protracted illness. Employees shall be entitled to encash sick leave accumulated in excess of 60 days at the rate of a day's wage for every day of such accumulated sick leave. Such encashment will be permitted at the end of each year in respect of that year. (The rate of payment shall be the days' wages applicable to the particular year of leave).

10. **Gratuity.**—(i) The Bank shall pay gratuity to employees upon cessation of employment in terms of the provisions of the Payment of Gratuity Act, No. 12 of 1983. Provided however, that in the case of an employee who has completed 20 or more years of service he shall be entitled to a gratuity of one month's salary for each year of service rendered save and except in the event of the dismissal of an employee on the grounds of misconduct where the gratuity will be determined in terms of the Payment of Gratuity Act, No. 12 of 1983.

(ii) In the event of the death of an employee, the Bank shall pay to the heirs of the deceased employee a gratuity calculated at one month's salary in respect of each year of service subject to a minimum payment equivalent to 6 months salary save and except in the case of a probationary employee, in which case the payment shall be not less than a sum equivalent to three month's salary. This payment shall be inclusive of the gratuity that would be payable in respect of the deceased employee under the law.

11. **Weekly Holidays Work.**—It is agreed that where an employee is called upon to work on a weekly holiday, he will be granted an extra day's payment or a holiday in lieu.

12. **Travelling Subsistence and Lodging Rates.**— It is agreed that reimbursement for travelling, subsistence and lodging rates in respect of employees when required to proceed on work outside their respective stations shall be as set out below:-

	6>12 hrs.	12>18 hrs.	18 hrs. and more	If lodging is involved
	LKR	LKR	LKR	LKR
Clerical and Allied Grade	170	225	375	675
Minor Staff	112.50	170	225	540

13. **Medical Assistance.**— The medical assistance scheme to employees shall be granted by the Bank in accordance with the scheme set out in Schedule II hereto.

14. **Disputes Procedure.**— (i) The Union and its members covered and bound by this Agreement jointly and severally agree with the Bank that during the continuance of this Agreement they shall not engage in any strike or other form of trade union action including go slow, boycott, work to rule, demonstrations or picketing or any other form of collective action against the Bank in respect of any dispute on a matter covered by this Collective Agreement.

(ii) Where a matter in dispute is with regard to the interpretation of any Clause in the Collective Agreement, the matter shall be resolved by interpretation by voluntary arbitration if the parties cannot agree to the proper interpretation thereof. The Union and its members agree that in such event, there shall be no trade union action of any sort as set out in (i) above with regard to such matter.

(iii) Where a dispute relates to a matter not covered by this Agreement but which involves the Union and its members in relation to the Bank, the Union and its members shall not engage in any trade union action as mentioned in (i) above, but shall not take trade union action in the first instance and shall comply with the following procedure:

- (a) The Branch Union of the Bank shall attempt to discuss and resolve such dispute with the Management of the Bank. If the matter has not been satisfactorily resolved within two months, the Branch Union shall notify the Bank in writing of its intention to refer the matter to the Parent Union.
- (b) The parent Union shall, thereafter, attempt to conciliate and to resolve such dispute either with the Bank or if the Bank so desires with the Employers' Federation of Ceylon.
- (c) If there is no settlement which is acceptable to the Union within one month from such reference to the Bank by the Parent Union, the Union shall give notice in writing of the fact that the dispute stands unresolved and of its intention to seek the conciliatory mechanism under the Industrial Disputes Act. If within one month from the said date of notice the Commissioner of Labour has been unable to resolve the dispute, the Union may give written notice of not less than 7 working days of its intention to take trade union action. Such notice shall be given to the Commissioner of Labour, the Employers' Federation of Ceylon and the Bank.

15. **Disciplinary Procedure.**— It is agreed that the Bank shall in future follow the disciplinary proceedings as set out hereunder:-

- (i) Except in the case of warnings and tellers of advice, the employee shall be furnished with a show cause letter which shall set out the particulars of the charges against the employee and such show cause letter shall give the employee not less than 10 calendar days within which to tender his explanation in writing to the charges preferred.
- (ii) The employee shall tender his explanation in writing, but may make a reasonable request for an extension of time, which request may be considered by the Bank.
- (iii) If the explanation is satisfactory, the Bank shall withdraw the charges and if the employee is under suspension, the employee shall be reinstated and paid his salary and entitlement for the period of suspension.
- (iv) If the explanation tendered within the time prescribed or extended time prescribed, is unsatisfactory in the opinion of the Bank, an inquiry shall be commenced within 21 working days from the date of receipt of written explanation to the show cause letter. The Bank shall be excused from commencing an inquiry within such 21 day period of time, if any delay is due to the nature of the investigation involved or for reasons beyond its control or is a result of the employee's own conduct, ill health or unforeseen circumstances.

- (v) If no explanation is tendered within the time prescribed, or the extended time prescribed, it will be presumed that the employee has no explanation to offer and action shall be taken accordingly.
- (vi) The Bank will permit a member of the Branch Union of the same grade or a higher grade than the accused employee to defend the accused employee at a domestic inquiry. The defending employee will not suffer any loss of salary for absence from work on this account. The Bank will further allow another member of the Branch Union to be present at the inquiry as an Observer without loss of salary for absence from work. The accused employee shall submit to the Bank in writing the name of the defending employee and Observer not less than 48 hours before the time appointed for the commencement of the inquiry. The defending employee shall be entitled to examine the witnesses for the accused employee and cross examine witnesses for the Bank. The inquiring Officer will be entitled to require a defending employee or Observer who obstructs the inquiry to withdraw therefrom and the defending employee or Observer shall forthwith comply with such requirement. The absence of a defending employee or Observer from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings thereon nor the findings pursuant thereto. The Observer shall not be entitled to participate in the proceedings but he may answer any question, which the Inquiring Officer may ask him.
- (vii) As from the date of this Agreement, the accused employee will be entitled to a copy of the proceedings on request, provided that the Observer and the accused employee sign the proceedings as a correct record. After the proceedings have been certified and a copy issued to the accused employee for all purposes thereafter, the proceedings shall be taken as a true copy of such proceedings before the Inquiring Officer.
- (viii) Within 60 days after the conclusion of the inquiry, the Bank shall communicate its findings in writing to the accused employee with the punishment, if any.
- (ix) The Bank shall not be required to hold an inquiry where the employee makes a written admission of the charge or where only a warning is issued. However, in the latter case, the Union is entitled to request the Bank to hold an inquiry into the matter.
- (x) The findings of a domestic inquiry and the punishment if any, imposed shall be final and binding on the Bank, employee and the Union unless the employee and the Union shall, within three months from the date on which the Bank has notified such employee of the findings or punishment, raise a dispute in respect of such findings and/or punishment.
- (xi) Where an employee is under suspension and the Bank makes order that-
 - (a) the employment of the employee shall be terminated, then the termination of such employment shall take effect as from the date of suspension or from such later date as the Bank may determine; provided further that the Bank shall not be entitled to recover from the employee any payment made in respect of salary to the employee in respect of such period of suspension, if any such payment has been made.
 - (b) the employment of the employee shall not be terminated, then the employee shall be employed forthwith and shall be paid the entirety of his salary in respect of the period of suspension without prejudice to the right of the Bank to impose such other punishment other than termination, which may include the whole or part of the period of suspension pending inquiry, on the basis of the findings of the inquiry.
- (xii) Where an inquiry proceeds beyond a period of three months from the date of suspension of an employee, except in the case of an offence which has been reported to the Police, and is being investigated or pursued by the Police or where any delay is caused as a result of the employee's own conduct or ill health the Bank shall, after the third month of suspension without pay, commence paying such employee half month's salary for each month of suspension thereafter until the Bank communicates in writing the findings of the inquiry.

16. The term "Employee" wherever stated herein shall mean an employee covered and bound by this Agreement.

Schedule I

Non-executive staff as at 04/09/2004

	<i>EPF No</i>	<i>Surname</i>	<i>Initials</i>	<i>Category</i>	<i>Designation</i>
1	279	Cooray	N D R	Secretary	Secretary - Investments Corporate Finance
2	338	Walles	P B J	Secretary	Secretary - Leasing
3	377	Nandanie	K N	Secretary	Secretary - Trade Finance (Legal)
		TOTAL	3		

EPF No.		Surname	Initials	Category	Designation
4	11	Sunil	KA	Clerk	Clerk - Administration
5	57	Ariyadasa	HDG	Clerk	Senior Clerk - Leasing
6	68	Nishantha	MAJ	Clerk	Accounts Clerk - Finance & Planning Senior Telephone Operator/Receptionist cum Clerk - ADMIN
7	87	Cramer	JGT	Clerk	Senior Clerk - Leasing
8	183	Perera	C C	Clerk	Senior Clerk - Trade Finance
9	241	Perera	B P D	Clerk	Senior Clerk - Leasing
10	336	Anagipura	SLCT	Clerk	Senior Clerk - Legal
11	339	Kariyawansa	S	Clerk	Senior Clerk - Galle
12	342	Indika	MAE	Clerk	Senior Clerk - Galle
13	343	Wathuhewa	DR	Clerk	Senior Clerk - Kandy
14	345	Jayasinghe	SC	Clerk	Senior Clerk - Kandy
15	346	Samaratunga	AMPM	Clerk	Recovery Assistant/Clerk - Leasing
16	18	Munasinghe	ALW	Clerk	Recovery Assistant/Clerk - Leasing
17	126	Ravindralal	APA	Clerk	Recovery Assistant/Clerk - Leasing
18	190	Premalal	LK	Clerk	Court Clerk/Sinhala Typist - Trade Finance
19	372	Yasomali	GM	Clerk	Cashier/Clerk - F & TM
20	379	Weerasekera	W M N M	Clerk	
		TOTAL	17		
EPF No.		Surname	Initials	Category	Designation
21	16	Sunil	MN	Minor	Peon - Treasury
22	17	Jayawardena	RV	Minor	Peon - Finance & Planning
23	50	Perera	WTJ	Minor	Driver - HR & Administration
24	100	Hewasagarage	S	Minor	Peon - HR & Administration
25	127	Gunasekera	TPM	Minor	Driver - HR & Administration
26	150	Ranawake	AW	Minor	Peon - Corporate Finance
27	151	Wasantha Kumara	WKR	Minor	Peon - Trade Finance
28	159	Amerasinghe	ULT	Minor	Delivery Peon - HR & Administration
29	240	Samaraweera	CR	Minor	Peon - Leasing
30	335	Nishantha	LWI	Minor	Peon - Galle Branch
31	337	Chandrakumara	WMA	Minor	Technician - HR & Administration
32	347	Kumara	MGS	Minor	Peon - Kandy Branch
33	349	Seneviratne	KMP	Minor	Peon - Kurunegala
34	388	Ramanayaka	A	Minor	Driver - M/D's Office
		TOTAL	14		
		G/TOTAL	34		

Schedule II

TABLE OF REIMBURSEMENTS OF MEDICAL EXPENSES
AMOUNT OF BENEFITS PER YEAR

<i>Category</i>	<i>Clerical & Allied Grade LKR</i>	<i>Minor Staff Grade LKR</i>
A. Hospitalization		
1. Medical Treatment	23,400	21,150
2. Surgical Treatment	37,500	35,175
3. Maternity		
(a) Normal	14,040	14,040
(b) Caesarean	21,150	21,150
B. Non Hospitalization		
1. Treatment given by Specialists	14,100	14,100
2. Routine	7,020	7,020