

## TAX TABLE NO. 03

### Rates for the Deduction of Tax from Once-and-for-all Payments (Terminal Benefits - All Employees) (with effect from 01.01.2023)

01. The amounts of the once-and-for-all payments (Terminal Benefits) to which this table applies are:
- a. any sum payable in commutation of pension;
  - b. any sum payable retiring gratuity;
  - c. any sum payable as compensation for loss of office or employment
  - d. any sum payable from the Employees Trust Fund (ETF) (excluding the share of investment income of the fund, after 31.03.1987);
  - e. any sum payable from any Provident Fund, which has not been approved by the Commissioner General of Inland Revenue (CGIR);
  - f. Any other payments or benefits made in respect of retirement.
- Exemptions –**
- i. Any amount paid from a Provident Fund approved by the CGIR or Regulated Provident Funds;
  - ii. Capital sums paid to a person as compensation or a gratuity in relation to –
    - a. personal injuries suffered by the person; or
    - b. the death of another person;
  - iii. Pension or any retiring benefit paid by the Government or a Department of the Government of Sri Lanka
02. If the aggregate amount of the following payments exceeds Rs. 5,000,000, employers shall retain 12% on the excessive amount;
- (a) Amount payable in commutation of a pension;
  - (b) Amount payable as a retiring gratuity;
  - (c) Amount received as **compensation** for loss of office or employment under a scheme which is uniformly applicable to all employees **as approved** by the Commissioner General of Inland Revenue;
  - (d) Any sum payable from the Employees' Trust Fund (ETF) (excluding the share of investment income of the fund, earned after 31.03.1987).
03. Employers shall retain 36% on the following payments or benefits;
- (a) **Compensation** for loss of office or employment under a scheme, which is **not approved** by the Commissioner General of Inland Revenue;
  - (b) Payment from other than **Regulated Provident Fund** which has **not been approved** by the Commissioner General of Inland Revenue;
  - (c) Any other Payment;
  - (d) Retirement non-cash benefits (to be valued at the market price)
04. Please retain the total amount mentioned in paragraph 2 or 3 as the case may be; and instruct the retiring employee to obtain a direction within 90 days of the retention, from the PAYE audit Unit at Nawam Mawatha, Colombo 02. On receipt of the direction, please comply with it.

If you have not received a direction or an advice before the expiry of 90 days from the date of deduction, please remit the deductions to the Commissioner-General to the credit of Account No. 2, People's Bank, Union Place branch.

Please do not write your Taxpayer Identification Number (TIN) in the space provided for it on the Paying-in-Slip, please leave that space blank. You should write "Tax on Once-and-for-all Payment" in the space provided for "Type of Tax".

**Note: CGIR's Circular No. SEC/2020/02 dated 18.02.2020 is terminated by the issuance of these instructions.**