

### TAX TABLE NO. 03

**Rates for the Deduction of Tax from Once-and-for-all Payments (Terminal Benefits) by  
Employees' Trust Fund, All Provident Funds and All Employers  
(with effect from 01.04.2023)**

01. The amounts of once-and-for-all payments (terminal benefits) to which this table is applied are:
- a. any sum payable in commutation of pension;
  - b. any sum payable as 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, on or after 01.04.1987);
  - 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.
02. If the aggregate amount of the following payments exceeds Rs. 5,000,000, 12% shall be retained 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 considered** 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 on or after 01.04.1987).
03. Thirty Six percent (36%) shall be retained on the following payments or benefits;
- (a) **Compensation** for loss of office or employment under a scheme, which **has not been considered** by the Commissioner General of Inland Revenue;
  - (b) Payment from any Provident Fund 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 date 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 retention, please remit the retained amount 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 and leave that space blank. You should write "Tax on Once-and-for-all Payment" in the space provided for "Type of Tax".