

EAST AFR. PROT

478 <sup>15</sup>/<sub>14</sub>

By order of  
Barfield

RAILWAY PROVISION FUND

1913

December

Last previous Paper.

21/9/13  
to 1/10/13

Staff receive... from Railway non-... of compulsory... deposits... for... of... of... but... will receive...

Mr Anderson

Under present rules, a man who joins the P.F. - i.e. any man - reasonable of man, white or brown - has to pay  $\frac{1}{12}$  of his salary into the fund.

The Govt adds bonuses which amount to about 50% of the annual compulsory deposits - i.e. on 30 Sept they add 50% of last 6 months deposits, on 31 March they add 50% of last 6 months deposits (= 50% of whole 12 months)

21/9/13 to 1/10/13

Next subsequent Paper

21/9/13

privilege to the Railroad  
he maintains that the  
Indians do not need it  
however, the Railway will be  
called upon for a large  
increase in business  
he must, I think, drop  
the  $\frac{1}{2}$ <sup>th</sup> proposal, or rather  
accept G's view that it  
should not be entertained.

As to the gratuity proposal,  
i.e. a special gratuity payable  
at the discretion of the G.M.  
to men on retirement after  
15 years continuous <sup>good</sup> service  
at a rate of  $\frac{1}{2}$  months' pay for  
every year's service.  
I should accept the G's  
view, unless the M. for  
increasing allowance  
guards & drivers in settling up  
the retiring gratuity.

The only way in which  
a P.F. man serves in  
New York, man, etc.

in the event of his death  
before retirement, there is  
something for his widow &  
his children - an advantage  
that may some day be paid  
if we get a W. S. Fund.

Take <sup>an</sup> ~~also~~ instances of  
what will happen if the  
gratuity scheme comes into  
force -

A foreman joins at 25 & retires  
at 55. Initial salary £40.  
standing salary £250. years  
service 30. approx. amount  
to his credit in P.F. on retire-  
ment £1050. But if  
the gratuity scheme comes  
in, he will also receive  
- it may receive 1/2 month  
salary for each of 25 years  
service (if only 30 years 25 is to  
be the limit for gratuity) - i.e.  
£260-odd so that he will get  
total of £1310. With this  
he

to require also for the purpose of the ordinary  
completing contributions & just business. I don't  
see why they should not be as required, but  
it is useless to insist on additional cost  
if the fund has the for any considerable  
period.

Oct 15, 1914

H. J. R.

11/1/14

Simply approve.

Approved

Oct 15, 1914

EAST AFRICA PROTECTORATE

GOVERNMENT HOUSE,  
NAIROBI, KENYA,  
BRITISH EAST AFRICA.

December 25th 1913

No. 957

5 JAN 14

Sir,

I have the honour to report that I have recently had under my consideration a petition submitted by the non-pensionable Staff of the Uganda Railway for the improvement of the Regulations governing the Provident Fund. The two requests are:-

(a) that the compulsory contribution to the Fund may be increased from 1/12th to 1/8th of their salaries

(b) that to men of good and continuous service of not less than 10 years a gratuity on retirement may be granted on the basis of half a month's pay for every year's service, subject to the condition that service in excess of 30 years shall not count, and that in the event of the death of an employee the gratuity due to him shall be payable to his family.

2. I may state at once that I am not prepared to entertain the first proposal. In the first place the contribution to the Fund by the Uganda Railway would be increased from Rs. 143, 778 to Rs. 215, 662 per annum, and I am moreover of opinion that the local Indian Staff are in a better position by the contribution of 1/12th of their salary than their

colleagues

THE RIGHT HONOURABLE

LEWIS HARCOURT, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S.W.

(2)

conferences in India by the contribution of 1/8th as the emoluments earned in this Protectorate are twice as much as those granted for work of a similar nature in India. It would not be possible to grant the higher contribution to the European Staff to the exclusion of Indian employees who furnish roughly 80% of the depositors. I have, however, already addressed you in my despatch No. 945 of the 29th ultimo on the subject of improved Leave Regulations for the European Staff.

3. With regard to the second proposal, the present practice in India is to grant gratuities on a basis of 15 years. The expenditure involved is somewhat difficult to arrive at, but on a basis of 15 years the present staff may be estimated to be receiving an average salary of Rs.175, at 20 years Rs.200, and at 25 years Rs.225 per mensem. A bonus of half a month's pay for each year of service, with a minimum of 15 years and a maximum of 25 years service would amount to:-

On January 1914	50 men	65,944
On January 1919	183 men	17,760
On January 1924	365 men	36,078

These figures are based on the existing staff, and no allowance is made for increments as these will probably be balanced by changes and retirements during the operation of 15 years service.

4. As the amount for which the Railway would be liable in 1919 includes gratuities to men engaged up to the end of 1903, no increase can be possible before that date. The figures for 1924 include all

the 1924

(3)

the Staff engaged up to the 31st of December 1909 who on the 1st of January 1924 will have completed 15 years service, and if the proposal is brought into effect the average annual expenditure for the next five years might be placed at £3,752 per annum while for the next ten years it would be £3,666. The liability at the end of each period provides that for any earlier period, and a similar course has been taken with regard to the number of men.

5. I enclose herewith two tables, one making a comparative statement showing the relative position of the non-pensionable employees on Indian and Uganda Railways as regards Provident Fund, Gratuities, Leave, &c, the other giving examples of the position of men joining the Provident Fund under existing conditions. From this second enclosure it will be seen that the approximate amount standing to the credit of Guards and Drivers on retirement, whose pay is partly based on the allowances they receive, is considerably less than that of those drawing consolidated pay. It would seem, therefore, only fair that in any system of retiring provisions provision should be made for some additional bonus to those whose salaries are regulated in accordance with the allowances they receive in order that they may be placed on the same footing as those whose salaries are on the consolidated scale. I understand that in these cases the allowances drawn constitute at least 50% of the total emoluments and I consider therefore that the additional bonus granted should be at the same percentage. It is true that this arrangement would somewhat increase the liability

of the Railway, but not to any appreciable extent.

6. The General Manager has gone very fully into the question and he feels that an improvement in the retiring gratuity of the non-pensionable staff is now necessary and justifiable, especially in view of the fact that the earnings for the year 1912-13 show a return of over 2 1/2% on the capital. I entirely agree with his opinion and I therefore recommend the following addition to the Provident Fund Rules:-

"In addition to the benefits granted under the Rules relating to the Provident Fund, the General Manager of the Railway may, at his discretion, grant to a non-pensionable employee on retirement, or in the event of his decease to his widow and children, for good and faithful continuous service of not less than 15 years, a bonus from Revenue equivalent to half a month's actual pay at the time of retirement or decease in respect of each year's service, provided that no bonus shall be granted in respect of any year over and above 25 years' continuous service."

7. I trust that this recommendation, together with the supplementary proposal in paragraph 5 of the despatch, may receive your sympathetic consideration.

I have the honour to be,

Sir,

Your humble obedient servant,

*H. Lewis, Secy.*

GOVERNOR.



COMPARATIVE STATEMENT OF BENEFITS IN RELATION TO THE AGE OF THE NON-PERMANENT EMPLOYEES  
ON THE INDIAN AND UGANDA RAILWAYS AS PROVIDED BY THE GOVERNMENT OF INDIA, BRITAIN, UGANDA, ETC.

Age of Railway.	Rate of Contribution.	Employer's Contribution.	Government Contribution towards Provident Fund.	Gratuities.	Provision.
1st class railway, 50 to 60 years.	1/2%	1/2%	First half yearly contribution equal to the half of total subscription. Second half yearly contribution not exceeding 1/2 of the net earnings and not exceeding one-half of the total subscription.	Half a month's pay for every year's service up to 30 years.	Calendar months with full pay every eleven months to calendar month.
Uganda Ry., 27 years.	1/2%	1/2%	Nil.	Nil.	Continued after a leave of absence but is accumulated up to amount with full pay and return passage to England, such as in India, after 2 years' service.

The non-permanent employees of the Uganda Railway ask for their provident fund contribution to be raised from 1/2% to 1/3% of their wages and for the rate of gratuity to be increased in accordance with the Indian Railway.

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In Despatch No. 5 of 1913

ENCLOSURE 7

Examples of how the Senior Provision Fund will be applied to existing conditions.

Joining as	Retiring as	Age at joining	Age at retirement	Salary at joining	Salary at retirement	Years of service	Approximate amount of credit at retirement
1. Fireman.	Driver.	25.	50.	80.	250.	25.	\$1,000.
2. Driver.	Driver.	35.	55.	120.	250.	20.	\$1,750.
3. Mechanic.	Mechanic.	20.	55.	100.	250.	35.	\$1,150.
4. Station Master.	Station Master.	25.	55.	200.	400.	30.	\$1,550.
5. Inspector.	Inspector.	31.	55.	300.	400.	24.	\$1,450.
6. Guard.	Guard.	20.	55.	80.	180.	35.	\$1,000.
7. Guard.	Guard.	22.	55.	120.	180.	33.	\$1,430.
8. Station Master.	Station Master.	30.	55.	200.	400.	25.	\$1,100.
9. Clerk.	Clerk.	30.	55.	200.	300.	25.	\$1,000.

In Despatch No. 447 of 5. 12. 1932

ENCLOSURE No. 2

Gov. 478/1913

1914

RECEIVED  
19

23 January 1914

Sir,

I have the honour to  
acknowledge the receipt of

your despatch, No. 957  
of the 8<sup>th</sup> of Dec. and to  
inform you that I approve

of your proposals for  
the improvement of

the Regulations governing  
the Provident Fund of  
the Uganda Railway

I

DRAFT

E.A.P.

No. 68

W. S. P. Field

MINUTE.

Mr. Harper 16/1/1914

Mr. Bottomley 16/1/1914

Sir G. Fiddes

Sir H. Just

Sir J. Anderson

Lord Emmott

Mr. Harrison