CIRCULAR

In the last BEPZIA Central Executive Committee (CEC) meeting 02/2015 held on February 23, 2015 the House was informed that a few Buyers are insisting upon some of the industries in EPZs to calculate the annual increment in a manner against the spirit so long practiced in BEPZA.

The method of calculation of annual increments was unanimously agreed upon in the BEPZIA Zonal Executive meetings held in different Zones in keeping with the practice followed since revision of EPZ workers' wages in 2010. The method as agreed upon in the Zonal Executive meetings was unanimously adopted in the BEPZIA Central Executive meeting also. In fact, this has been adopted by the EPZ industries barring a few.

The extract of the decision of BEPZIA CEC on this issue is given below:

"Decision: After an elaborate discussion, the House agreed that all EPZ industries will continue to follow, as approved earlier by the Central Executive Committee, to re-fix wages after giving annual increments to their workers in the following manner:

a. Add 10% of Basic Wage to the Gross Wage of previous year. This will give New Gross Wage for the coming year.

b. Deduct fixed Medical Allowance of Tk. 560 from the New Gross Wage and distribute the balance in the proportion of 60% as Basic Wage and 40% as House Rent.

The formula for calculation may be summed up as follows:

New Basic Wage = (New Gross Wage - Fixed Medical Allowance of Tk. 560) / 1.4

Be it mentioned that this is in conformity with the BEPZA Circular dated 24 December 2013 on the subject.

It was further decided as follows:

i. BEPZIA will issue a letter to all member industries requesting them to follow the above uniform method of calculation to avoid confusion in future.

ii. The House also requested Mr. Md. Nasir Uddin, Senior Vice Chairman, BEPZIA to meet all EPZ industries in CEPZ (members of BEPZIA and also nonmembers) and request them to follow the above indicated formula to ensure uniformity in practice."

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In light of this decision, you are requested to follow the calculation method as agreed and specified above in fixing the annual increment for the workers. Industries not following this method are requested to adjust their calculation from next increment date in line with this. We would also request industries, who are following different methods of calculation to send us their names for our record for future reference.

Your cooperation is sought in this matter.

Md Faizul Matin
Executive Secretary
BEPZIA