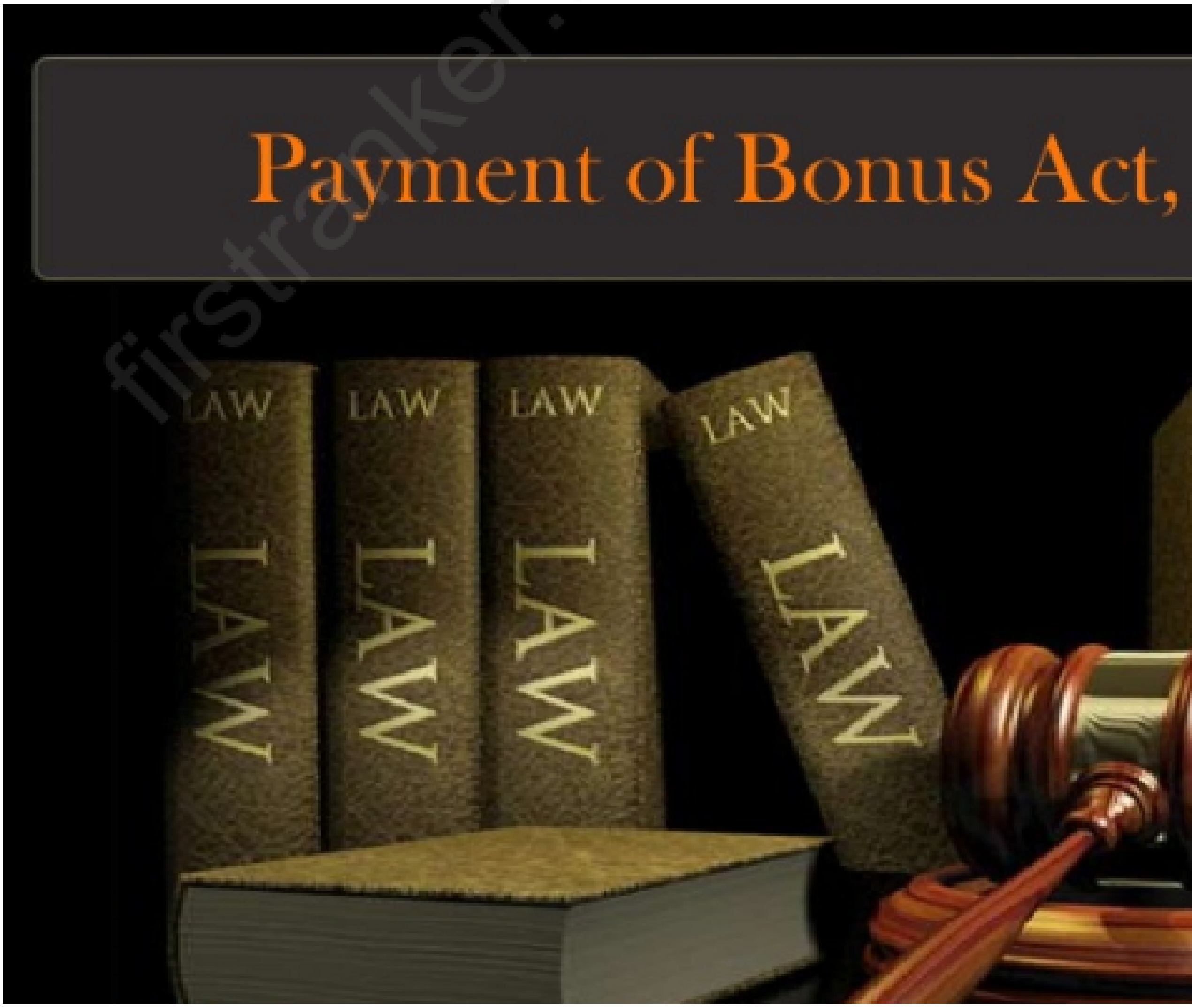
Payment of Bonus Act,
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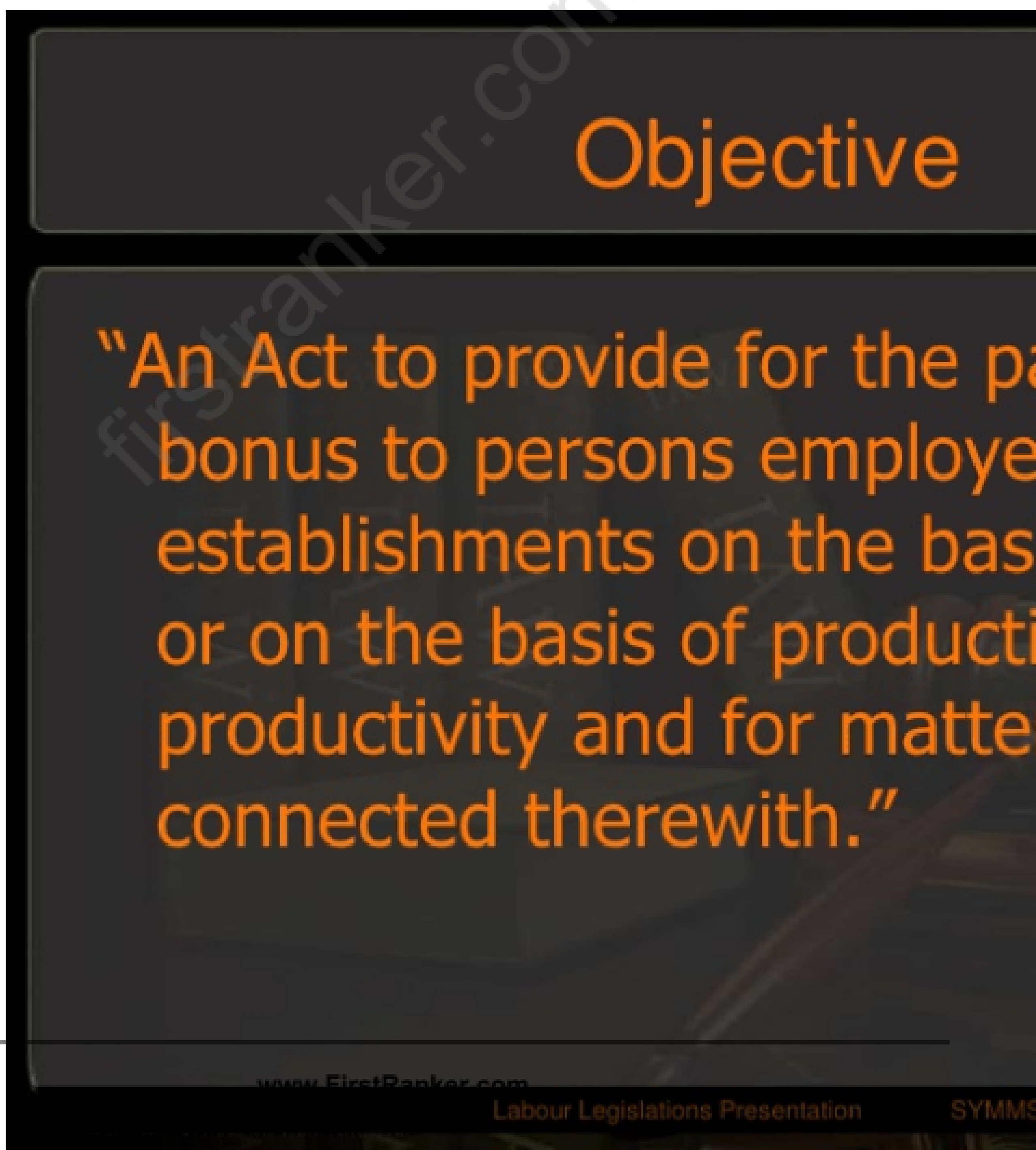
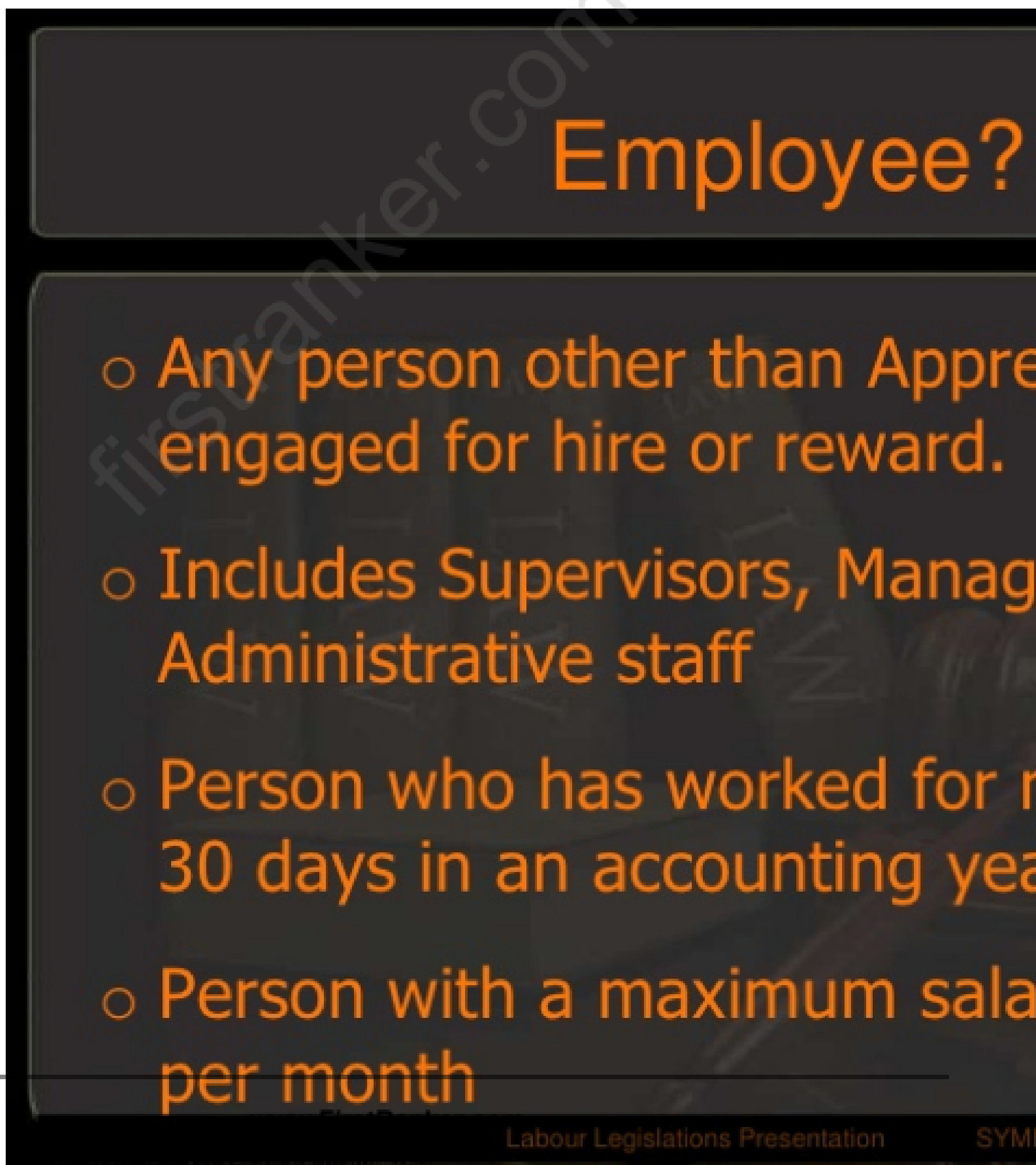
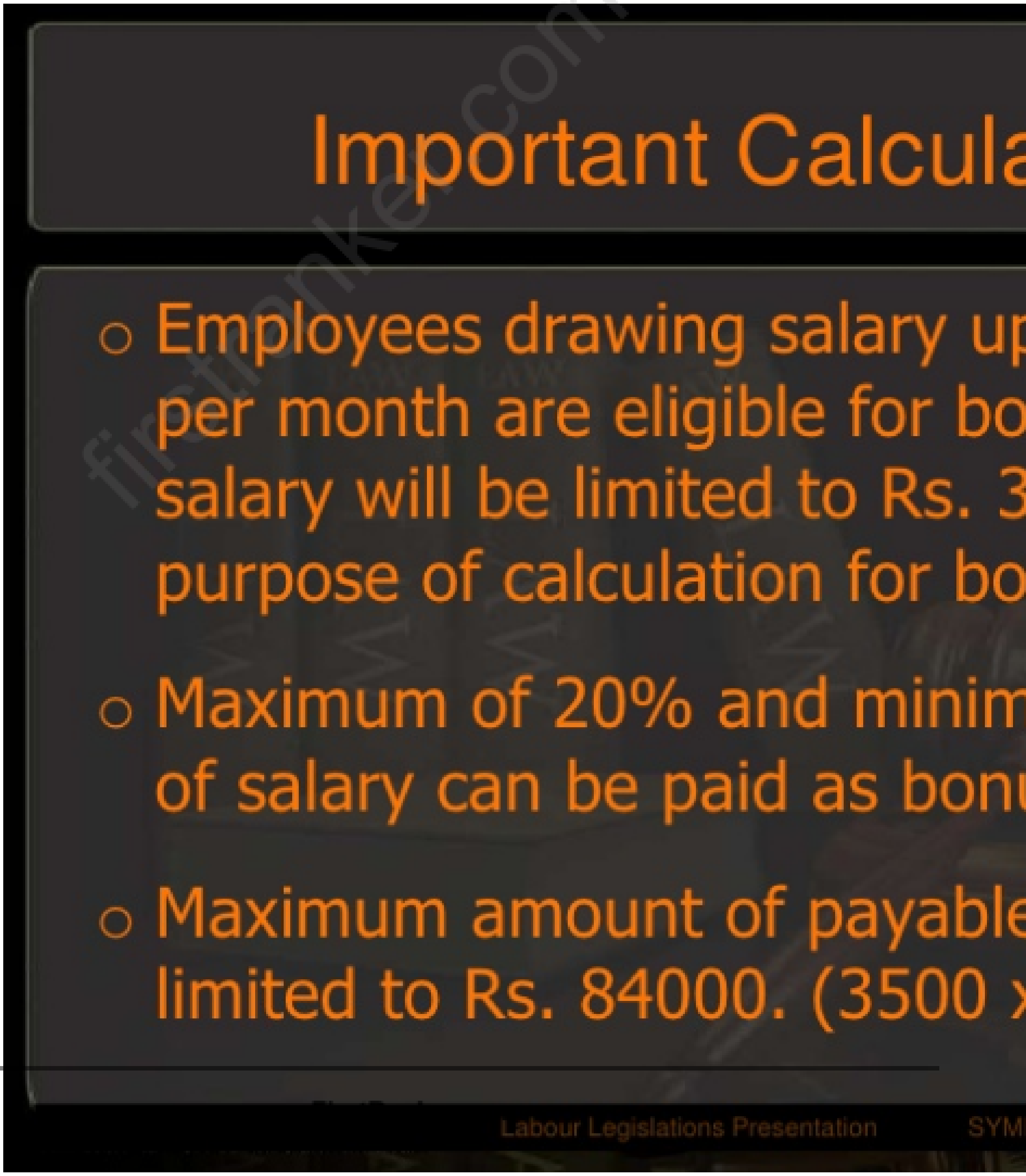

Objective
“An Act to provide for the pa
bonus to persons employe
establishments on the bas
or on the basis of producti
productivity and for matte
connected therewith.”
Labour Legislations Presentation
firstranker.com

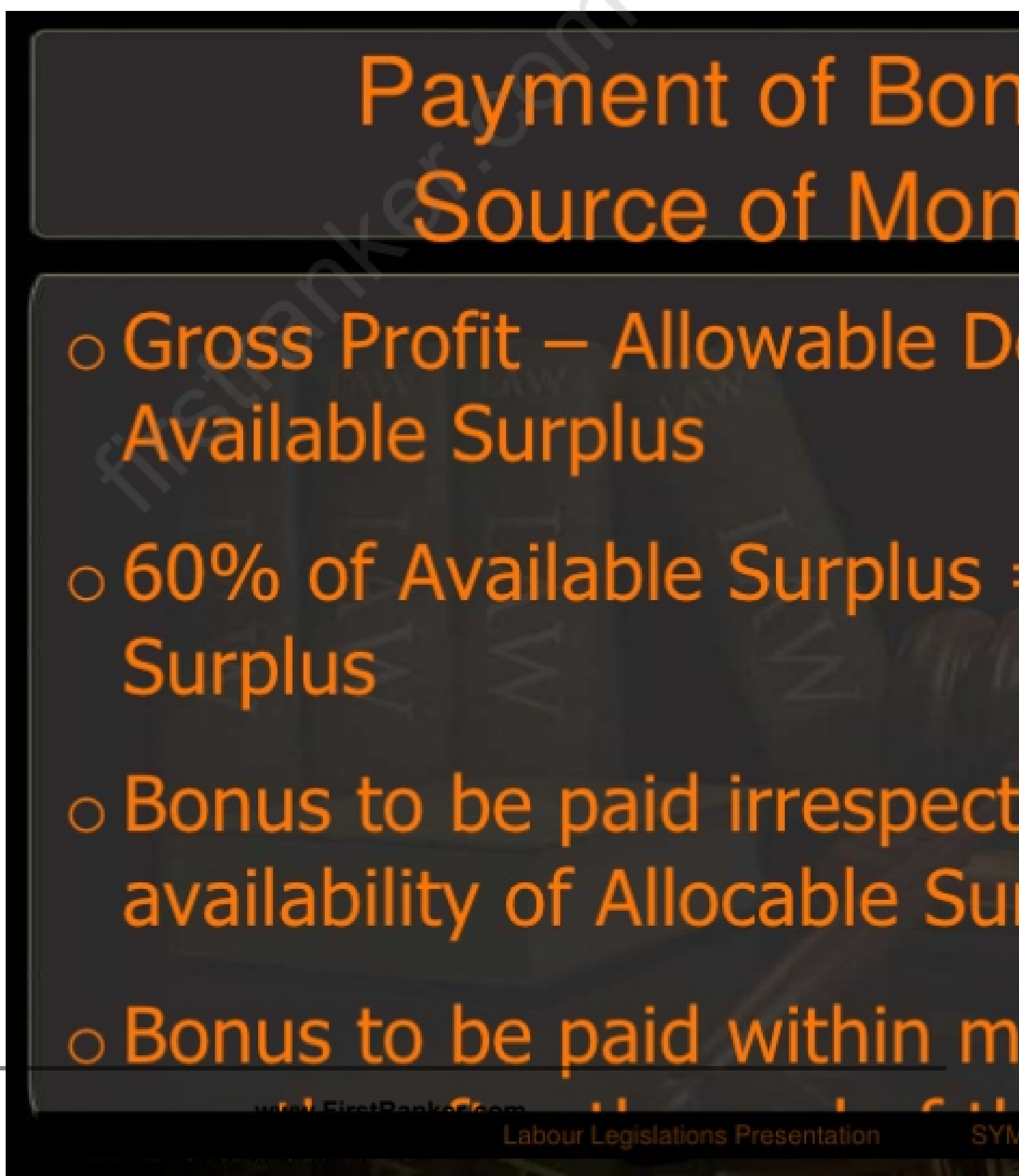
Applicability

- Every factory or an establ
employing not less than 2
employees during an acco

- Establishments once cove
this act will continue to be
even if the number of em
below 20 subsequently.


Employee?
Any person other than Appre
engaged for hire or reward.
Includes Supervisors, Manag
Administrative staff
Person who has worked for
30 days in an accounting yea
Person with a maximum sala
per month
Labour Legislations Presentation


Important Calcula
Employees drawing salary up
per month are eligible for bo
salary will be limited to Rs. 3
purpose of calculation for bo
Maximum of 20% and minim
of salary can be paid as bon
Maximum amount of payable
limited to Rs. 84000. (3500
Labour Legislations Presentation

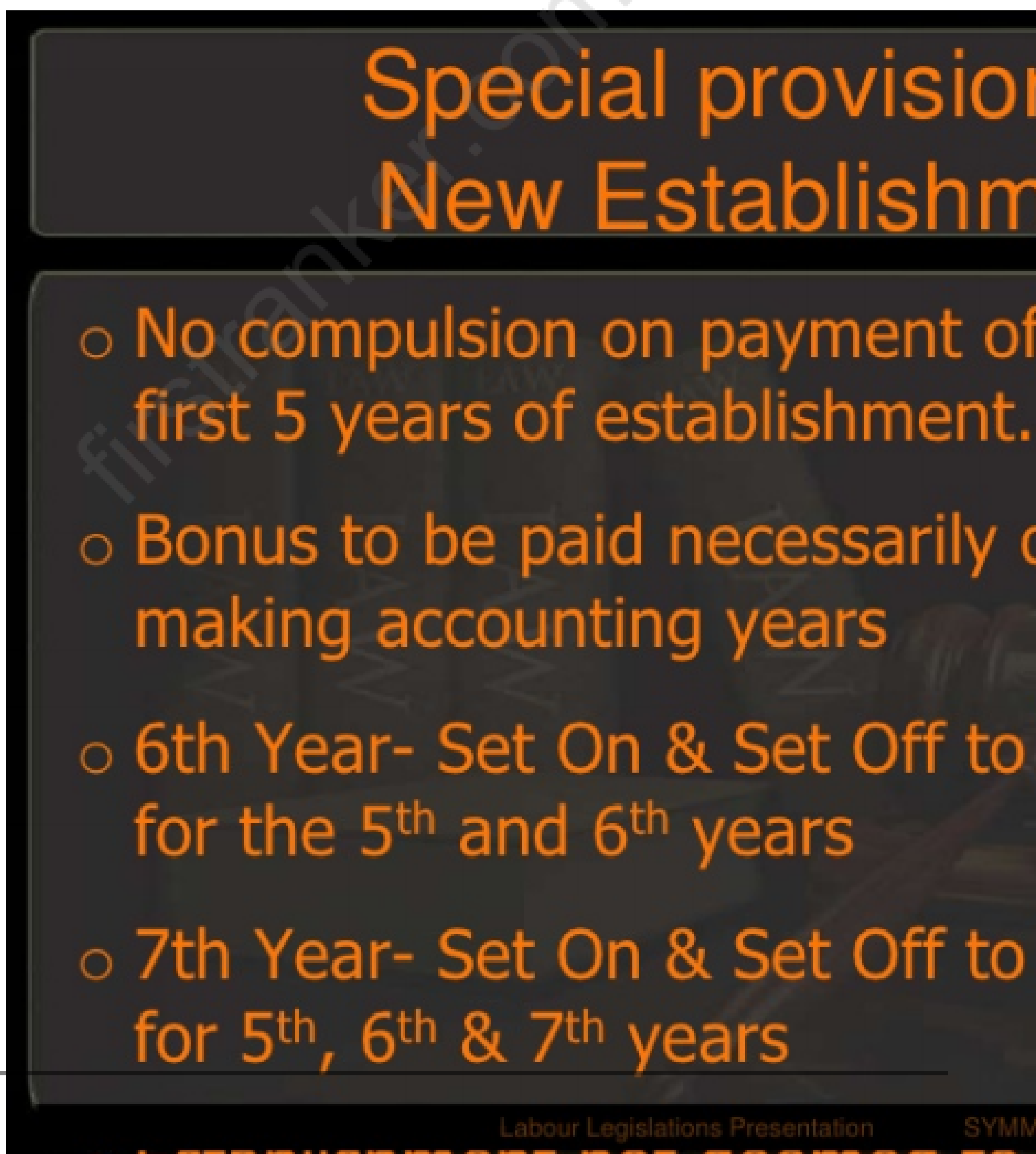

Payment of Bon
Source of Mon
Gross Profit – Allowable De
Available Surplus
60% of Available Surplus =
Surplus
Bonus to be paid irrespecti
availability of Allocable Su
Bonus to be paid within ma
Labour Legislations Presentation

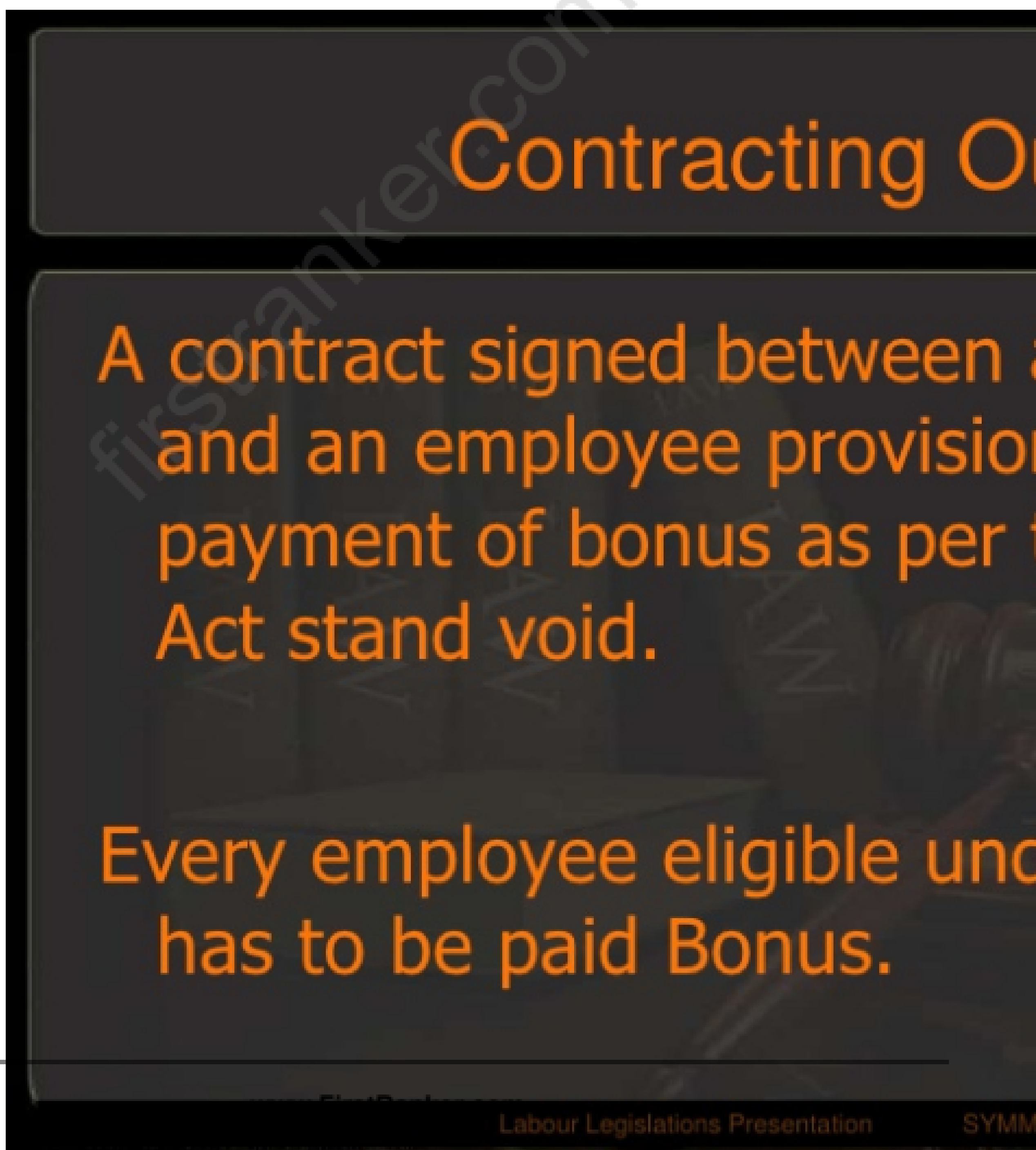
Set On

- Case when allocable surpl
  total Bonus payments calc
  maximum of 20% of salar
- The excess amount is carr
  as Set On to the next acco
- Amount carried forward to
  of and including the fourth
  accounting year

Set Off

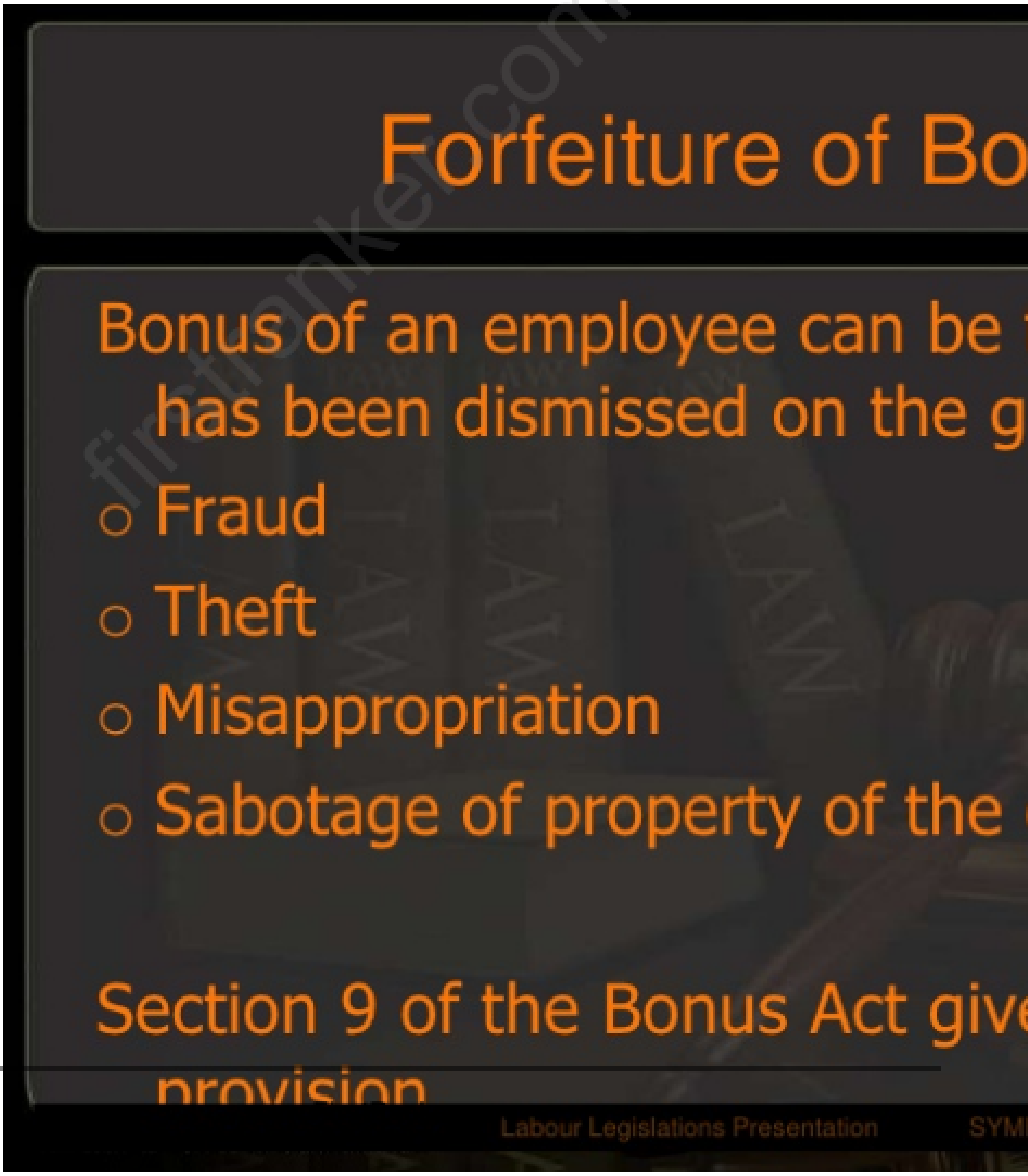
- Case when there is no availa
  the available surplus in not e
  meet minimum Bonus payme
- The balance amount is carrie
  the next accounting year to b
  the next bonus payments.
- Set Off amount carried forwa
  maximum of and including 4
  year.


Special provisio
New Establishm
No compulsion on payment of
first 5 years of establishment.
Bonus to be paid necessarily o
making accounting years
6th Year- Set On & Set Off to
for the 5th and 6th years
7th Year- Set On & Set Off to
for 5th, 6th & 7th years
Labour Legislations Presentation


Contracting Ou
A contract signed between a
and an employee provision
payment of bonus as per t
Act stand void.
Every employee eligible und
has to be paid Bonus.
Labour Legislations Presentation

Recovery of Bonus D
Employer

- In case of unpaid due bonus c
  no longer in employment
- Employee or person authorized
  apply for the recovery of bonu
- In case of death of employee
  may apply for collection
- Application to be maid to appr
- If accepted by the governmen
  is recovered from employer


Forfeiture of Bo
Bonus of an employee can be
has been dismissed on the g
○ Fraud
○ Theft
○ Misappropriation
○ Sabotage of property of the
Section 9 of the Bonus Act give
provision
Labour Legislations Presentation