ADMINISTRATION OF DAMAN & DIU,
DEPARTMENT OF LABOUR & EMPLOYMENT,
DAMAN.

No. LE-LI DMN/CLL 2010/57/ 14-1382
LE/CJ+B/2017

Date: 14/06/2017

CIRCULAR

The Payment of Bonus Act, 1965 has been amended and called as the Payment of Bonus (Amendment) Act, 2015, vide Gazette Notification No.DL-(N)04/0007/2003-16 dated 31st December,2015. The said Act has come into force w.e.f. 01/04/2014 with the following amendment:

i) The eligibility limit for payment of bonus has been raised from the salary or wage of Rs. 10,000/- per month to Rs. 21,000/- per month.

ii) The ceiling for calculation of bonus has been increased to the extent that where the salary or wage of an employee exceeds (seven thousand rupees or minimum wages for the scheduled employment, as fixed by the appropriate Government, whichever is higher) per month, the bonus payable to such employee, as the case may be shall be calculated as if his salary or wage were (seven thousand rupees or minimum wages for the scheduled employment, as fixed by the appropriate Government, whichever is higher) per month.

The Act provides minimum 8.33% of salary for wages earned in the year is the minimum bonus required to be paid even if there is loss incurred in that year Maximum bonus is 20% of the salary or wages earned in the year. However, under section 34, more bonuses could be paid by mutual agreement based on productivity consideration. Bonus is payable within 8 months from the close of accounting year of factory or establishments.

The contract workers are also entitled to bonus from their contractors and if the contractors fail to pay bonus, the principal employer is liable to pay bonus, who is entitled to be indemnified by the contractors.

All factories and establishments to which the said Act applies are requested to take note of above said amendment and to ensure that they pay bonus to their eligible workers/employees as per increased eligibility limit and ceiling in accordance with the provisions of the Payment of Bonus (Amendment) Act, 2015 so that congenial industrial environment could be created leading overall economic development of the region.

The above instructions shall be followed scrupulously. Non compliance of the provisions of the Act would invite penal action.

(Sandeep Kumar Singh)
Collector,
Daman.

To,

1) All the Industrial Establishments,
Daman & Diu.

2) All the Hotels/ Restaurants etc.
Daman & Diu.

3) All the Head of Officers,
Daman & Diu.

Copy to the industries association with a request to take up the matter with their members to ensure strict compliance:

1) The President, Daman Industries Association, Daman.
2) The President, Hoteliers Association, Daman.
3) The SIO, NIC with request to place the above said Circular on the Official Website of Daman & Diu.
4) The Assistant Director (O.L), Daman & Diu, Daman for Hindi translation.
6) The Field Publicity Officer, Daman & Diu, Daman for Wide Publicity.