

THE PAYMENT OF THE BONUS ACT, 1965

Section 1 (3) of the Act applies to every factory and every other establishment in which twenty or more persons are employed on any day during an accounting year. The Act provides for payment of bonus to persons employed in a factory and other establishments on the basis of profits or on the basis of production or productivity and for matters connected therewith. Every employee who has worked in the establishment for not less than 30 working days in an accounting year will be eligible for bonus. The Minimum Bonus under Section 10 payable is 8.33% of the salary or wage earned by an employee during the accounting year and the maximum bonus under Section 11 payable is 20% thereof. The bonus shall be payable within a period of eight months from the close of accounting year. Where there is a dispute regarding payment of bonus the bonus shall be paid within a month from the date on which the award become enforceable or the settlement comes into operation. Where any dispute is raised over non-payment of bonus under Section 22 the same will be referred to the Conciliation Officer for arriving at a settlement and if no settlement is arrived the dispute will be referred to Labour Court / Industrial Tribunal for adjudication. If no dispute exists over payment of bonus and there is only delay in payment, then the concerned establishment will be directed to pay the bonus and on non-compliance prosecution proceeding will be initiated.

PENALTY

Any person who contravenes the provision of the Act, shall be punishable for imprisonment, which may extend to six months or fine of Rs. 1,000/- or both