

AS INTRODUCED IN THE RAJYA SABHA
ON THE 9TH AUGUST, 2012

Bill No. XXX of 2012

THE PAYMENT OF BONUS (AMENDMENT) BILL, 2012

A

BILL

further to amend the Payment of Bonus Act, 1965.

BE it enacted by Parliament in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Payment of Bonus (Amendment) Act, 2012.

Short title and
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

21 of 1965. 5

2. In Section 2 of the Payment of the Bonus Act, 1965 (hereinafter referred to as the principal Act) in Clause (13), the words "not exceeding ten thousand rupees per mensem" shall be omitted.

Amendment
of Section 2.

3. Section 12 of the principal Act shall be Omitted.

Omission of
Section 12.

STATEMENT OF OBJECTS AND REASONS

The Bill proposes to amend definition of "employees" as given in sub-section (13) of Section 2 of the Payment of Bonus Act, 1965 which entitles only those employees for getting bonus by his employer who are employed on a salary or wage not exceeding ten thousand rupees per mensem.

Moreso, section 12 prescribes the limit of three thousand five hundred rupees per mensem for calculation of bonus with respect to the employees.

In today's world of money inflation, high prices and salaries, imposing ceiling on the wages for denying bonus to the employees is totally unjust. At least all the workers should be entitled to get the bonus irrespective of their salary or wages under the Payment of Bonus Act.

The Bill proposing amendment to section 2 and section 12 of the Act seeks to achieve the aforesaid objectives.

Hence this Bill.

RAMA CHANDRA KHUNTIA

FINANCIAL MEMORANDUM

Clauses 2 and 3 of the Bill seek to amend clause (13) of section 2 and omit section 12 respectively of the Payment of Bonus Act, 1965 by omitting the eligibility limit of Rupees ten thousand per mensem for payment of bonus and the limit of Rupees three thousand five hundred per mensem for calculation of bonus as prescribed by the Payment of Bonus (Amendment) Act, 2007.

2. The Bill, if enacted shall entail additional expenditure on this account to the tune of Rs. 1000 crore per annum which shall be met from the consolidated fund of India.

3. The Bill does not involve any other recurring or non-recurring expenditure.

ANNEXURE

EXTRACTS FROM THE PAYMENT OF BONUS ACT, 1965

(21 OF 1965)

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Definitions.	2. In this Act, unless the context otherwise requires,—			
	*	*	*	*
	(13) "Employee" mean any person (other than an apprentice) employed on a salary or wage not exceeding ten thousand rupees per mensem in any industry to do any skilled or skilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied;			
	*	*	*	*
Calculation of bonus with respect of certain employees.	12. Where the salary or wage of an employee exceeds three thousands and five hundred rupees per mensem, the bonus payable to such employee under section 10 or, as the case may be, under section 11, shall be calculated as if his salary or wage were three thousand and five hundred rupees per mensem.			
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(Shri Rama Chandra Khuntia, M.P.)