

| Particulars                          | The Payment of Bonus Act, 1965                                                                                                                                                                                                      | The Payment of Gratuity Act, 1972                                                                                                                 | The EPF & MP Act, 1952                                                                                                                                                                                              |
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| <b>Applicable to</b>                 | Factory<br>Establishments employing $\geq 20$ employees<br>Establishments notified by CG<br>Public Sector Establishments<br><br>(Competing with private sector and revenue from such product is not less than 20% of total revenue) | Factory, Mine, Oil field, Plantation, Port, Railway Company<br>Establishments employing 10 or more members<br>Even Service oriented organisations | Factory and every other establishment employing 20 or more members<br>Even Service oriented organizations                                                                                                           |
| <b>Not Applicable to</b>             | Certain PSUs, PFI's<br>Departments of Government<br>Service oriented organizations<br>Seamen, Dock workers, Inland water transport                                                                                                  |                                                                                                                                                   | Co operative Society employing less than 50 persons working without aid of power.<br>Establishment belonging to CG/SG or set up under any Central/State Act, having contributory provident fund or old age pension. |
| <b>CG's Power to grant exemption</b> | In public interest if the entity is suffering heavy losses.                                                                                                                                                                         | Section – 5 If the establishment is having more beneficial provision than Act                                                                     | Section - 16 If the establishment is having more beneficial provision than Act & considering financial position of the entity                                                                                       |
| <b>Benefits available</b>            | Bonus                                                                                                                                                                                                                               | Gratuity on retirement                                                                                                                            | Provident fund Service & Family Pension Life insurance                                                                                                                                                              |
| <b>When to be paid</b>               | Every Accounting year                                                                                                                                                                                                               | At the time of termination of employment by superannuation, retirement, death or inability.                                                       | At the time of termination of employment by superannuation, retirement, death or inability.                                                                                                                         |
| <b>Burden on?</b>                    | Employer                                                                                                                                                                                                                            | Employer                                                                                                                                          | Both Employee & Employer                                                                                                                                                                                            |
| <b>Who is an Employee?</b>           | Salary not exceeding Rs 10,000 per month<br><b>Includes</b> temporary workman, employee of a seasonal factory, part time employee, retrenched                                                                                       | Same as bonus act but without limit on salary drawn<br><b>Includes</b> even a director working as an employee.                                    | Same as bonus act (Salary limit is Rs 15,000)<br><b>but includes even an Apprentice</b>                                                                                                                             |

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|                                     | employee, probationer, dismissed employee reinstated with back wages, piece-rated worker, Employees employed through contractors on building operations<br><b>Excludes</b> Apprentice, Dismissed employee |                                                                                                                       |                                                                                                                                                                                                                                                                                           |
| <b>Eligibility?</b>                 | Every employee who worked for not less than <b>30 working days</b> in an AY                                                                                                                               | Every employee who has rendered <b>five years of continuous service (Exception death, inability)</b>                  | Every Employee<br>Provident Fund (All employees)<br>Pension Fund ( $\leq$ Rs 15,000 salary)<br>Insurance Fund (All employees)                                                                                                                                                             |
| <b>Minimum &amp; Maximum Limits</b> | Minimum Bonus – 8.33% of Salary or wages<br>Maximum Bonus – 20% of Salary or wages                                                                                                                        | Minimum Gratuity – 15 days salary for every completed year of service<br>Maximum Gratuity – Rs 10 lakhs               | <b>EPF</b> – for employer & employee - 10% of Basic Salary + Dearness Allowance + Retaining Allowance + Food Allowance (Employee can extend upto 12%)<br><b>Employees Pension Scheme</b> – 8.33% of above salary.<br><b>Employees Deposit Linked Insurance Scheme:</b> 1% of above salary |
| <b>Salary or Wage</b>               | <b>Basic Salary + Dearness Allowance+ Food Allowance</b><br>Does not include – Bonus, HRA, Commission, Overtime, Travel concession etc                                                                    | <b>Basic Salary +Dearness Allowance</b><br>Does not include – Bonus, HRA, Commission, Overtime, Travel concession etc | <b>Basic Salary + Dearness Allowance + Retaining Allowance</b><br>Does not include – Bonus, HRA, Commission, Overtime, Travel concession etc                                                                                                                                              |
| <b>Working Days</b>                 | Include Paid leaves, Maternity leave, Laid off period, Absent due to accident.                                                                                                                            | Include Paid leaves, Maternity leave (upto 12 weeks), Laid off period, Absent due to accident                         | Include Paid leaves, Maternity leave, Laid off period, Absent due to accident                                                                                                                                                                                                             |
| <b>Due date</b>                     | Within 8 months, AG may extend up to 2 years                                                                                                                                                              | Employee applies within 30days, Employer pays within next 30 days                                                     | Within 30 days                                                                                                                                                                                                                                                                            |
| <b>Mode of payment</b>              | Only in cash                                                                                                                                                                                              | Only in cash                                                                                                          | Only in cash                                                                                                                                                                                                                                                                              |

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| <b>Recovery</b>                  | As arrears of land revenue                      | As arrears of land revenue                                       | As arrears of land revenue                                                        |
| <b>Authorities</b>               | Appropriate Government<br>Controlling Authority | Appropriate Government<br>Controlling Authority                  | Central Board<br>State Board<br>Provident Fund Commissioner<br>Appellate tribunal |
| <b>Nomination</b>                | Not required                                    | Compulsory (After completing one year of service, within 30days) | Compulsory                                                                        |
| <b>Investments/Contributions</b> | Not required                                    | Insurance is required unless own fund is maintained              | Own fund can be maintained                                                        |
| <b>Transfer of accounts</b>      | Not required                                    | Not required                                                     | Required                                                                          |

#### Special Provisions of Bonus Act:

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| <b>Calculation of Bonus</b>          | If allocable surplus is less than minimum bonus – Minimum Bonus<br>If allocable surplus is more than maximum bonus – Maximum Bonus<br>If allocable surplus is more than minimum bonus but less than maximum bonus – Allocable Surplus                              |
| <b>Deductions from Bonus</b>         | Pooja bonus or other customary bonus to any employee (Section: 17)<br>Employee is found guilty of misconduct causing financial loss to the employer (Section: 18)(only from that year's bonus)<br>In case of Fraud & Dismissed – Bonus for all years will be lost. |
| <b>Production Linked Bonus (31A)</b> | Employer can pay bonus on basis of production. However this is also subject to minimum and maximum bonus.<br><b>Agreement for paying Production Linked Bonus in lieu of Minimum Bonus is Void</b>                                                                  |

#### Special Provisions of Gratuity Act:

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| <b>Deemed Continuous Year</b> | Seasonal Establishment - not less than 75 % of the number of days on which the establishment was in operation<br>If ≤5 days in a week - 190 days , in any other case– 240 days<br>If continuous service for 6 months –<br>If ≤5 days in a week - 95 days , in any other case – 120 days                                                   |
| <b>Gratuity Calculation</b>   | <b>In case of establishments which are in operation throughout the period</b> – 15 days salary * Completed years of service<br><b>In case of establishments which are in operation only for a season</b> – 7 days salary * Completed years of service<br>(15 days or & days salary is calculated treating the month to be having 26 days) |

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| <b>Employee Disabled &amp; reemployed</b> | For the period preceding the disablement: on the basis of wages last drawn by the employee at the time of his disablement.<br>For the period subsequent to the disablement: On the basis of the reduced wages as drawn by him at the time of the termination of services. |
| <b>Forfeiture</b>                         | Any damage due to negligence or misconduct not involving moral turpitude – Only to the extent of loss<br>Involving Moral turpitude – Total Gratuity                                                                                                                       |
| <b>Compulsory Insurance 4A</b>            | Only with LIC or Other recognized insurance companies<br>CG may exempt if employer has an established gratuity fund & number of employees is 500 or more                                                                                                                  |
| <b>Disputes</b>                           | Proceed to controlling authority within 90 days<br>Aggrieved by controlling authority's order prefer an appeal to Appropriate Government within 60 days                                                                                                                   |

#### Special Provisions of EPF & MP Act:

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| <b>Permission to maintain own accounts (16A) (CG)</b> | No default under this act in preceding 3 years<br>Employing 100 or more employees<br>Should maintain proper records<br>Submit timely returns<br>Cancelled if any default is made                                                                                                                                                                                                    |
| <b>EDLI Compensation</b>                              | Average monthly wages drawn during last 12 months (Subject to a maximum of Rs 15,000) * 20<br>Or<br>Average balance in the account in preceding 12 months or during his membership whichever is less. However if the average balance exceed Rs 50,000 then the amount payable shall be Rs 50,000 plus 60% of the amount in excess of Rs 50,000 (Subject to a maximum of Rs 100,000) |
| <b>Transfer of accounts</b>                           | Can be done                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Transfer of entity</b>                             | Both the transferor & transferee will be liable for contribution and other sums up to the date of transfer of establishment. However the liability of transferee shall be limited to the value of assets obtained by him.                                                                                                                                                           |
| <b>No reduction in wages</b>                          | No employer by the reason only of his contribution to the funds listed here under the Act reduce whether directly or indirectly the wages of any employee or the quantum of benefits in gratuity, pension, provident fund, life insurance to which the employee is entitled.                                                                                                        |