

THE PAYMENT OF BONUS ACT, 1965 & PLB TO RAILWAYMEN

BY: K.V.RAMESH, Sr.JGS/IRTSA

PAYMENT OF BONUS ACT, 1965 & AMENDMENTS THEREOF

- Minimum bonus 8.33% of the salary/wage of an employee.
 - Maximum bonus including productivity linked bonus shall not exceed 20% of the salary/wage of an employee.
- Previous amendment of 2007 was notified on 13 December 2007 and made effective from 1st April, 2006.
- Minimum bonus of 8.33% of (Rs. 3500/- X 12= Rs. 42,000/-) is approximately Rs. 3500/-.
 - 20% of above referred Rs. 42,000/- is Rs. 8,400/-. However, the limit is given as Rs. 8,300/-.

Details of amendments to the Payment of Bonus Act, 1965:

SL. No	Year of Amendment	Eligibility limit (Rs. Per Month)	Calculation ceiling (Rs. Per Month)
1.	1965	Rs. 1600	Rs.750
2.	1985	Rs.2500	Rs. 1600
3.	1995	Rs. 3500	Rs. 2500
4.	2007	Rs. 10000	Rs. 3500
5.	Bill in LS Dec 2015	Rs. 21000	Rs. 7000

PRODUCTIVITY LINKED BONUS FOR RAILWAY EMPLOYEE

SALIENT FEATURES OF THE PLB SCHEME ARE AS UNDER: -

- a) The output for a year is reckoned by the equated net tonne kilometres by adding together:-
- i) Total goods revenue net tonne kilometres.
 - ii) Non-suburban passenger kilometres converted by a factor of 0.076.
 - iii) Suburban passenger kilometres converted by a factor of 0.053.
- b) The input is taken as the non-gazetted staff strength (excluding RPF/RPSF personnel), increased by the incremental increase/decrease in capital (over average of last three years) during the year.
- c) Highest PLB amount of 78 days' wages was paid for the financial years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15.
- d) The wage calculation ceiling prescribed for payment of PLB to the eligible non-gazetted railway employees is 3500/- p.m. The maximum amount payable per eligible railway employee is Rs. 8975 for 78 days.

	Year	Days	Amount	Difference over Previous year
1	2001-02	59	Rs. 4849	
2	2002-03	59	Rs. 4849	NIL
3	2003-04	59	Rs. 4836	Rs. -13
4	2004-05	59	Rs. 4849	Rs. 13
5	2005-06	65	Rs. 5342	Rs. 493
6	2006-07	70	Rs. 5753	Rs. 411
7	2007-08	73	Rs. 8399	Rs. 2646
8	2008-09	75	Rs. 8630	Rs. 231
9	2009-10	77	Rs. 8860	Rs. 230
10	2010-11	78	Rs. 8975	Rs. 115
11	2011-12	78	Rs. 8975	NIL
12	2012-13	78	Rs. 8975	NIL
13	2013-14	78	Rs. 8975	NIL
14	2014-15	78	Rs. 8975	NIL

- Amount paid as bonus never shown meaningful increase over last 15 years.
- Only between 2006-07 and 2007-08 there was a visible increase in bonus amount.
- If bonus is linked with inflation at the rate of average 12% per year from 2001-02, it should have become Rs.24000 now, even without considering any productivity improvement.
- Bill passed in Lokshaba is a very late action taken by the Government.
- Railways should not try to put any rider on this very late action.

After enactment of the present bonus bill, wage calculation ceiling prescribed for payment of PLB to non-gazetted railway employees will be increased to 7000/- p.m. The maximum amount payable per eligible railway employee can also go upto Rs.21,000.

But, Railway Board is having proposals to revise the calculation formula for PLB which may reduce the expected benefit.