

Government refuses to increase Bonus ceiling for Central Govt. employees

**F.No.7/4/2014-E-III(A)**  
**Government of India**  
**Ministry of Expenditure**  
**(E-III Branch)**

North Block, New Delhi  
Dated the 25th Feb, 2016

To,  
**Sh.Shiva Gopal Mishra**  
**Secretary (Staff-side)**  
**Joint Consultative Machinery(JCM)**  
13-C, Ferozshah Road,  
New Delhi-110001.

**Subject: Raising of bonus payment ceiling to Central Government employees.**

Sir,

I am directed to refer to your L.No. NC-JCM-2015-S.C dated 11.1.2016 on the subject mentioned above and to say that the issue raised therein has been considered.

2. At the outset, till now there has not been a complete parity between Payment of Bonus Act, 1965 and the bonus for Central Government employees in regard to the two different ceilings, one relating to the calculation and the other relating to eligibility. While the calculation ceiling has been the same, the eligibility ceiling has been different and even the revised eligibility ceiling of Rs. 21,000 under the amended Payment of Bonus Act, 1965 is not higher than that in case of the Central Government employees where all non-gazetted employees are eligible for bonus. This being so, a complete parity for the purpose of calculation ceiling of Rs. 7000 p.m., that too, from 1.1.2014, is not justifiable.

3. Most importantly, the 7th Central Pay Commission, which has gone into the issue of bonus scheme in detail in respect of the Central Government employees, has felt that instead of bonus, there should be introduced the Performance related Pay (PRP) for all categories of Government employees and this PRP should subsume the existing bonus scheme.

The Commission has further recommended that since there would be a time lag in implementing the PRP, the existing scheme should be reviewed and linked with increased profitability/productivity under the well-defined parameters. The recommendations of the Commission are separately being examined and an appropriate view would be taken as and when the Government decision on the recommendations of the 7th Central Pay Commission is known. Till such time, therefore, it may not be possible to revisit the issue of calculation ceiling in case of Central Government employees for the purpose of PLB/ad-hoc bonus.

4. This has the approval of the Finance Secretary

Yours Sincerely,  
(Ashok Kumar)  
Under Secretary to the Gpovt of India  
Ph.23095650