

Management Services Circular No: 05/2014

My No: DMS/CIR/2014/Bonus

Department of Management Services

General Treasury

Colombo 01

21. 11.2014

To:

All Secretaries to Ministries/

Chairmen of Government Corporations and Fully Owned Government Companies

**Payment of Bonus to Employees of Government Corporations and Fully Owned Government Companies for the year 2014**

**01. Payment of Bonus**

Payment of bonus to the employees of Government Corporations and Fully Owned Government Companies for the year 2014 has been approved by the Cabinet of Ministers at its meeting held on 19.11.2014 as follows,

Classification of Institutions	Proposed Bonus
Government Corporations and fully owned Government Companies which have earned profits during the relevant financial year and, <b><u>did not/ do not pay any incentives</u></b> based on attendance, performance or any other form of incentives.	Rs.15,000/-
Government Corporations and fully owned Government Companies which have earned profits during the relevant financial year and <b>pay/ have paid incentives</b> based on attendance, performance or any other form of incentives.	Rs.13,500/-
Government Corporations and fully owned Government Companies which have recorded a loss during the relevant financial year and <b>reduced the loss</b> compared to the last financial year.	Rs.5000/-
Government Corporations and fully owned Government Companies which have recorded a loss during the previous financial year and <b>failed to reduce the loss</b> compared to the last financial year.	Rs.2,000/-

**02.** The concurrence of the General Treasury should be obtained prior to the payment of bonus to the employees of Government Corporations and Fully Owned Government Companies which have recorded a loss during the relevant financial year and the requests in this regard must be forwarded to the Department of Public Enterprises / Department of National Budget along with recommendation of the Secretary of the respective Ministry.

### **03. The Procedure to be followed**

- 3.1 When a mid-term allowance which can be considered as a bonus has been paid by any institution to its employees, it should be considered as an advance of the annual bonus paid at the end of the year unless the Cabinet of Ministers has granted a special approval to consider such payment as an additional bonus.
- 3.2 Prior to the payment of annual bonus based on this circular, approval of the Board of Directors or the Board of Management should be obtained.
- 3.3 In order to make the payment of bonus as mentioned above, annual accounts of the Government Corporations and Fully Owned Government Companies should be submitted to the Auditor General on or before the due date as per the Public Finance Circular No.PF/PE/21 dated 24.05.2002 and the instructions and guidelines related to good governance of Public Enterprises issued by the Treasury shall be duly adhered to.

### **04. Special Matters**

- 4.1 Funds for the payment of bonus are not provided by the Treasury.
- 4.2 The provisions of this circular shall not apply to the Government Corporations and Fully Owned Government Companies which pay salaries and other allowances under the collective agreements or any other similar memoranda of understanding.
- 4.3 Institutions which have deviated from the normal procedure with approval for the payment of bonus in previous years and intend to follow the same procedure this year too, should obtain prior approval of the General Treasury for the payment of such bonus for the year 2014.

- 4.4 Based on the administrative procedure followed by each institution with regard to payment of bonus in the previous year, bonus can be paid for the current year as well.
- 4.5 As the Chairmen, Board of Directors and Chief Executive Officers of all the Government Corporations and Fully Owned Government Companies which pay bonus are liable to pay E.P.F (Employees Provident Fund), E.T.F (Employees Trust Fund), Gratuity and PAYE (Pay As You Earn) in terms of the relevant rules and regulations, they should be responsible to report the current situation when the board approval is sought for the payment of bonus.

## **05. Clarifications**

If any further clarification is required with regard to the circular you are kindly informed to contact the Department of Management Services.

Sgd./P.B.Jayasundera  
Secretary to the Treasury and  
Secretary of Ministry of Finance & Planning

### **Copies:**

1. Secretary to the President
2. Secretary to the Prime Minister
3. Secretary to the Cabinet of Ministers
4. Auditor General
5. Co-Chairman, National Pay Commission
6. Director General of Public Enterprises
7. Director General of National Budget