

Management Services Circular No: 47

My No: DMS/A/2011

Department of Management Services

General Treasury

Colombo 01.

22.12.2011

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 2011**

Payment of bonus to the employees of government corporations and fully owned government companies for the year 2011 should be incurred as per the following provisions.

1. The annual bonus payable to employees of government corporations and fully owned government companies which have earned profits within the relevant finance year but do not pay other incentives is Rs.10,000/=
2. If incentives based on attendance and performance or incentives of any other form are paid, the annual bonus payable to the employees of such profitable government corporations and fully owned government companies is Rs. 7500/=
3. Only a bonus of Rs.1,000/= is allowed to be paid to the employees of loss making government corporations and fully owned government companies. However permission is granted to pay Rs.2000/- instead of Rs.1000/- to the employees of institutions which have reduced the loss compared to the last year even though they are currently operating at loss. The said permission is granted only if the institution possesses adequate amount of funds to incur the payments for the existing accounting year (2011).
4. When a mid term allowance which can be considered as a bonus has been paid by a certain institution to its employees, it has to be considered as an advance of the annual bonus paid at the end of the year, unless it is given the special approval of the Cabinet to be considered as an additional bonus allowance.

5. The approval of the Board of Directors or the Board of Management should be obtained before the payment of annual bonus based on this circular.
6. In order to pay the bonus as mentioned above, the annual accounts of the relevant government corporation and fully owned government companies have to 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 have to be adhered.
7. Funds for the payment of bonus are not provided by the Treasury.
8. If a certain bonus is paid extraneous to the provisions of this circular, the prior approval of the Cabinet of Ministers should be obtained.
9. If any further clarification is needed regarding the Circular, you are kindly informed to contact Mr. A.K.N. Wickramasinghe, Director, Department of Management Services (Telephone No. 011-2484758/071-4429833) and Mr. K.S.M. Silva, Assistant Director, Department of Public Enterprises (Telephone No. 011-2484627/ 071-4480690)

Signed/ P.A.Abeysekara  
Deputy Secretary to the Treasury

Copies:

1. Secretary to the President
2. Secretary to the Prime Minister
3. Auditor General
4. Director General of Public Enterprises