

Management Services Circular No: 02/2015

My No: DMS/CIR/2015/Bonus
Department of Management Services
General Treasury
Colombo 01
09.12.2015

To:
All Secretaries to Ministries/
Chairmen of Government Corporations and Fully Government Owned Companies

Payment of Bonus to the Employees of Government Corporations and Fully Government Owned Companies for the year 2015

01. Payment of Bonus

Payment of bonus to the employees of Government Corporations and Fully Government Owned Companies for the year 2015 has been approved by the Cabinet of Ministers at its meeting held on 02.12.2015 as follows,

Classification of Institutions	Proposed Bonus
Government Corporations and Fully Government Owned Companies which have earned profits during the relevant financial year and, <u>do not/did not pay any incentives</u> based on attendance, performance or any other form of incentives.	Rs.15,000/-
Government Corporations and Fully Government Owned Companies which have earned profits during the relevant financial year and <u>pay/ have paid incentives</u> based on attendance, performance or any other form of incentives.	Rs.13,500/-
Government Corporations and Fully Government Owned Companies which have recorded a loss during the relevant financial year, but <u>reduced the loss</u> compared to the last financial year.	Rs. 5,000/-
Government Corporations and Fully Government Owned Companies which have recorded a loss during the previous financial year and <u>failed to reduce the loss</u> 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 Government Owned 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 Approval of the Board of Directors or the Board of Management should be obtained, prior to the payment of annual bonus based on this circular. All the Government Corporations and Fully Owned Government Companies should be responsible to pay all the payments such as E.P.F (Employees Provident Fund), E.T.F (Employees Trust Fund), Gratuity and PAYE (Pay As You Earn) under the relevant statutory provisions.
- 3.3 In order to make the payment of bonus as mentioned above, the annual accounts of the Government Corporations and Fully Government Owned Companies should have been submitted to the Auditor General on or before the due date and the instructions and guidelines related to good governance of Public Enterprises should have been 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 Government Owned 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 the relevant 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 2015.
- 4.4 Based on the administrative procedure followed by each institution with regard to the payment of bonus in the previous year, bonus can be paid for the current year as well.

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./

R.H.S.Samarathunge
Secretary to the Treasury and
Secretary of Ministry of Finance

Copies:

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