

Management Services Circular No:01/2013(i)

My No: DMS/Cir/2013/Bonus

Department of Management Services

General Treasury

Colombo 01

09.12.2013

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 2013

Management Services Circular No.01/2013 dated 15.11.2013 is hereby repealed and bonus could be paid for the year 2013 as follows.

1. Payment of Bonus

Payment of bonus to the employees of Government Corporations and fully owned Government Companies for the year 2013 has been approved by the Cabinet of Ministers at its meeting held on 31.10.2013 as follows,

Type of Institute	Proposed Bonus
Government Corporations and fully owned Government Companies which have earned profits during the relevant financial year 2013 but, do not pay any incentives	Rs.12,500/-
Profits earning Government Corporations and fully owned Government Companies which pay incentives based on attendance and performance or any other form of incentives	Rs.9,500/-
Loss making Government Corporations and fully owned Government Companies	Rs.1000/-
Government Corporations and fully owned Government Companies which have reduced the losses compared to the last year	Rs.2,500/-

2. 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 incurred losses during financial year 2013 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.

3. 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 special approval to consider such payment as an additional bonus.

3.2 Before 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 adhered to.

4. 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 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 In the case of any bonus is paid extraneous to the provisions of this circular, prior approval of the Cabinet of Ministers should be obtained. However, if bonus has been paid for the year 2012 upon the approval of Cabinet of Ministers, payment of bonus for the year 2013 could be made on the same basis accordingly.

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 year 2013 as well.

4.5 The Chairmen, Board of Directors and Chief Executive Officers of all the Corporations, Boards and 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 Acts and Ordinances. Hence, it is their responsibility to report the current situation when the board approval is sought for the payment of bonus.

5. Clarifications

If any further clarification is needed regarding 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. Auditor General
4. Director General of Public Enterprises
5. Director General of National Budget