

Management Services Circular No: 49

My No: DMS/A/2012/CIR

Department of Management Services

General Treasury

Colombo 01

24.12.2012

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 2012**

**1. Payment of Bonus**

Payment of bonus to employees of Government Corporations and Fully Owned Government Companies for the year 2012, should be made as approved by the Cabinet of Ministers at its meeting held on 19.12.2012

- 1.1 Payment of Bonus to employees of Government Corporations and Fully Owned Government Companies for the year 2012 should be paid on the same basis as was paid for the year 2011.
- 1.2 Payment of bonus to the employees of Government Corporations and Fully Owned Government Companies which incurred losses during 2012 financial year should be made on the same basis adopted in the year 2011 and the concurrence of the General Treasury should be obtained prior to the payment of bonus. 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.

**2. The Procedure to be followed**

- 2.1 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.
- 2.2 Before the payment of annual bonus based on this circular, approval of the Board of Directors or the Board of Management should be obtained.

- 2.3 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.

### **3. Special Matters**

- 3.1 Funds for the payment of bonus are not provided by the Treasury.
- 3.2 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 MOUs.
- 3.3 The management of the Ceylon Electricity Board, Ceylon Petroleum Corporation and the National Water Supply and Drainage Board should ensure that Collective Agreements are concluded with the relevant Trade Unions, on their remuneration package, including the bonus as envisaged in the Cabinet decision dated 2012-01-11 on "Salary Issues Pertaining to Public Enterprises and Statutory Boards", before 2013-06-30
- 3.4 In the case of any bonus is paid extraneous to the provisions of this circular, prior approval of the Cabinet of Ministries should be obtained.

### **4. Clarifications**

- 4.1 If any further clarification is needed regarding the circular you are kindly informed to contact the Department of Management Services/ Department of Public Enterprises/ Department of National Budget

Sigd./P.B.Jayasundera

Secretary to the Treasury and

Secretary of the 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