Dear Shri Kalraj Mishra Ji,

Ever since the NDA Government has come to power at the Centre in May 2014, it has taken many steps for the socio-economic welfare of the common people in general and the labour force in particular through various Ministries/Departments. Over the last two years, my Ministry has initiated many labour welfare measures like “Shrameva Jayate”, minimum pension of Rs. 1000 per month, portability of provident fund account, National Career Service portal, ESIC 2.0, etc...

2. Recently, the Payment of Bonus Act, 1965 has been amended by the Parliament through the Payment of Bonus (Amendment) Act, 2015. The said Amendment Act has notified on 01.01.2016. The salient features of the amendment are:

(a) The Eligibility limit under section 2(13) for payment of bonus has been increased from Rs.10,000/- per month to Rs.21,000/- per month.

(b) The Calculation ceiling under section 12 for payment of bonus has been increased from Rs.3500/- per month to Rs.7000/- per month or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher.

(c) The date of implementation is 01.04.2014.

3. The expected outcome of the above amendment is that the employees (employed on a salary or wage not exceeding Rs.21,000/- per month) of factory and establishment employing 20 or more workers excluding employees in LIC, seamen, dock workers, University employees, etc. as per section 32 of the Payment of Bonus Act, 1965 would be eligible for payment of bonus from 01.04.2014 at enhanced rate of Rs. 7000/- per month or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher. Due to the enhancement of the eligibility limit, an additional workforce of about 55 lakhs (whose salary is in the range of Rs.10,000/- per month to Rs.21,000/- per month) would be eligible to get statutory bonus. This amendment, after a gap of 8 years, has also fulfilled one of the long pending demands of the trade unions and workers.
4. The Hon'ble PM has time and again reiterated that the message regarding welfare measures taken by the Government should reach to the public without any delay.

5. I would like to request you to bring out the intended benefits of the recent amendments in
the Payment of Bonus Act, 1965 to the notice of the beneficiaries in your constituency/state through whatever means as you so desire.

With regards,

Yours sincerely,

(Bandaru Dattatraya)

Shri Kalraj Mishra,
Hon'ble Minister of Micro,
Small & Medium Enterprises,
Government of India,
Udyog Bhawan,
New Delhi.