



## Indian Banks' Association

### HR & Industrial Relations

No.CIR/HR&IR/KSC/O/2015-16/1940  
January 14, 2016

All Members of the Association

Dear Sir/Madam,

### The Payment of Bonus (Amendment) Act, 2015

We enclose for information, a copy of the Gazette Notification dated 1<sup>st</sup> January 2016 issued by the Ministry of Law and Justice, Government of India, bringing about the following amendments to Payment of Bonus Act, 1965, effective 1<sup>st</sup> April 2014:

1. For the purpose of defining an employee under the Act, the ceiling on salary/wage has been increased from Rs.10,000/- to Rs.21,000/-. As such, employees whose salary/wage does not exceed Rs.21,000/- per mensem are now eligible for bonus.
2. Where the salary/wage of an employee exceeds Rs.7000/- per mensem, the bonus payable to such employees is to be calculated as if his salary/wage was Rs.7000/- per mensem but does not exceed Rs.21,000/- per mensem and he shall get bonus in respect of accounting year 2014-2015 and subsequent accounting years calculated as provided in the Act on a salary/wage of Rs.7,000/- per mensem.

Member banks may kindly take note of the above and act accordingly.

Yours faithfully,

  
**K S Chauhan**  
**Senior Vice President**

✓ Encl.