**Payment of Bonus (Amendment) Act, 2015**

In September, the trade unions proposed that the wage eligibility limit be increased from INR 10,000 to INR 21,000 and the calculation ceiling from INR 3,500 to INR 7,000 or the minimum wage notified by the appropriate Government for that category of employment, whichever is higher.   Taking into due consideration the demands provided by the trade unions in relation to amendments to be carried out to the Payment of Bonus Act, 1965 (Principal Act), the Payment of Bonus (Amendment) Bill, 2015 (Amendment Bill), was introduced in the Lok Sabha on 7 December 2015 and was passed on 22 December 2015. Without much delay thereafter, the Amendment Bill came to be passed by the Rajya Sabha on 23 December 2015 and being called the Payment of Bonus (Amendment) Act, 2015 (Amendment Act), received the assent of the President of India on 31 December 2015.

By comparing the Payment of Bonus Act 1965 with Payment of Bonus Amendment act 2015, following changes were noticed:-

|  |  |  |  |
| --- | --- | --- | --- |
| Sl no | **Criteria** | **Payment of Bonus Act 1965 (Amendment, 2007)** | **Payment of Bonus amendment Act 2015** |
| 1 | Eligibility up to | INR 10000 | INR 21000 |
| 2 | Minimum Bonus | INR 3500 | INR 7000 or Minimum wage whichever is higher |

The retrospective effect on this change has already been challenged and the Hon’ble High Courts of Kerala, Madhya Pradesh and Karnataka have issued interim stay orders.

So for the time being the status of revision with retrospective effect is uncertain. However for the current accounting year ( 2015 -16), the revised rules are applicable.

The Amendment Act is certainly a significant step in the interest of the workforce. However, employers should have been provided with a specified timeframe to factor in the increased costs in their accounts in order to comply with the retrospective bonus payment obligations.

Attend HRM supports Bonus calculation and it is separated from payslip.

You can define the bonus period by selecting the range between two salary periods. This is similar to salary processing

The following are some of the best features of bonus:

1.You can define your own formula.

2. You can provide maximum value for bonus; if the calculated value is greater than the maximum value then the maximum value will be considered.

3. You can provide minimum working days. This will process bonus for employees who worked for at least the minimum value that you specified.

4. You can lock after you processed the bonus, so there won’t be any chance to make changes until you unlock it.

