

**THE PAYMENT OF BONUS (ASSAM AMENDMENT) BILL, 2017**

A

**BILL**

further to amend the Payment of Bonus Act, 1965 in its application to the State of Assam.

Preamble

Whereas it is expedient further to amend the Act  
Payment of Bonus Act, 1965, hereinafter referred to as No. 21  
the principal Act, in its application to the State of Assam, of 1965  
in the manner hereinafter appearing;

It is hereby enacted in the Sixty-eighth Year of the Republic of India as follows:-

Short title,  
extent and  
commencement.

1. (1) This Act may be called the Payment of Bonus (Assam Amendment) Act, 2017.
- (2) It extends to the whole of the State of Assam.
- (3) It shall come into force at once.

Amendment  
of section 11.

2. In the principal Act, after Section 11, the following new section 11A shall be inserted, namely :-  
**“11A. Mode of Payment of Bonus -** All amounts payable to an employee by way of bonus under this Act shall be paid either by an account payee cheque drawn in favour of the employee or by crediting the same in the bank account of the employee.”

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### Statement of Objects & Reasons.

The Payment of Bonus is a very important issue for maintaining harmonious relations between employers' and employees in the State of Assam. This is particularly vital in the State's Plantation Sector. Although the statutory bonus is payable to the plantation workers within a period of eight months from the date of closing of the financial year in Assam, there is a customary practice of payment of bonus before the Durga Puja Festival. A new provision is proposed to be inserted to enhance transparency in payment of bonus and ease the process of monitoring implementation of the Act and to protect employees from exploitation by their employers or any middlemen.

Hence proposed amendment.

Minister of State (Independent Charge)  
Labour and Welfare, Assam.

**M. K. DEKA,**  
Principal Secretary,  
Assam Legislative Assembly,  
Dispur.

**FINANCIAL MEMORANDUM**

There is no financial involvement in the proposed bill

**MEMORANDUM OF DELEGATED LEGISLATION**

There is no delegation of legislative powers to the executive in the proposed bill.

**M. K. DEKA,**  
Principal Secretary,  
Assam Legislative Assembly.

**Extract of the existing provisions of section 1, section- 2, section 3 and section 11 of the  
Payment of Bonus Act, 1965.**

- Section 1. (1) This Act may be called the Payment of Bonus Act, 1965.
- Section 2 (2) It extends to the whole of Assam.
- Section 3 (3) Save as otherwise provided in this Act, it shall apply to –
- (a) every factory ; and
  - (b) every other establishment in which twenty or more persons are employed on any day during an accounting year :
- Section 11 **Payment of maximum bonus -** (1) Where in respect of any accounting year referred to in Sec. 10, the allocable surplus exceeds the amount of minimum bonus payable to the employees under that section, the employer shall, in lieu of such minimum bonus, be bound to pay to every employee in respect of that accounting year bonus which shall be an amount in proportion to the salary or wage earned by the employee during the accounting year subject to a maximum of twenty per cent. of such salary or wage.
- (2) In computing the allocable surplus under the section, the amount set on or the amount set-off under the provisions of Sec. 15 shall be taken into account in accordance with the provisions of that section.

**M. K. DEKA,**  
Principal Secretary,  
Assam Legislative Assembly.