

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3912
ANSWERED ON:05.09.2012
PRODUCTIVITY LINKED BONUS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has laid down any norms for grant of productivity linked bonus/incentives to its employees;
- (b) if so, the details thereof and the status of implementation;and
- (c) if not, the criteria being adopted for grant of productivity linked bonus particularly in loss making PSUs?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Productivity Linked Bonus (PLBJ is paid to eligible employees in selected Central Government Departments as per the approved formula and norms as relevant to a particular Department. The quantum of PLB as finked to appropriate days1 wages is decided on year to year basis. The Sixth Central Pay Commission had recommended that a Performance Related Incentive Scheme (PRIS) may be introduced. The modalities for implementation of an appropriate PRIS in case of Central Government Departments has been engaging the attention of the Government.

(c) :As informed by the Department of Public Enterprises (DPE), the criteria laid down in the Payment of Bonus Act, 1965 is to be followed in regard to bonus in respect of Central Public Sector Enterprises. Productivity Linked Incentives (PLI), if any, can be distributed within the ceiling prescribed on perks and allowances, which is 50% of the basic pay of individual executive. Further, Performance Related Payments (PRP) is entirely dependent/based on the profits of the Central Public Sector Enterprises