FININ2MIN SUMMARY - CHAPTER IN 2 MINUTES

Chapter IV - Payment of bonus

This chapter turns payment of bonus into an operational control file. It covers Eligibility for bonus, etc, Proportionate reduction in bonus in certain cases, Computation of number of working days, Disqualification for bonus; the practical sequence is to classify coverage and event date, apply the provision and mapped Rule, complete the form/register, calculate the entitlement or exposure, and retain evidence for inspection, claim or appeal.

Who is covered

Employers, employees, workers, contractors and payroll teams must first identify the appropriate Government, employment category and event date.

Main obligations / rights

- Section 26: Eligibility for bonus, etc
- Section 27: Proportionate reduction in bonus in certain cases
- Section 28: Computation of number of working days
- Section 29: Disqualification for bonus
- Section 30: Establishments to include departments, undertakings and branches

Key thresholds / timelines

- Use only the threshold, rate and limitation period effective on the event date; verify the Central/State instrument before acting.

Forms / evidence

- Applicable form/register, calculation file, approval and acknowledgement evidence
- Classification, calculation, approval, acknowledgement and payment/filing proof

Employer risk snapshot

Highest practical risks: wrong wage base, late payment, unauthorised deduction or incomplete payroll evidence.

Employee / worker remedy

timely and lawful wage payment, a transparent wage slip and a claims route for short-payment or unlawful deduction. Confirm authority, limitation and appeal route.

Old law / transition

Map the event date and savings position against: Payment of Wages Act, 1936; Minimum Wages Act, 1948; Payment of Bonus Act, 1965; Equal Remuneration Act, 1976.

Five-point professional checklist

- Freeze the event date, establishment, location and person/worker classification.
- Identify the controlling section/paragraph, mapped Rule, notification and appropriate Government.
- Reperform the calculation or decision test and document every exception or approval.
- Complete the prescribed form/register/portal step and retain acknowledgement, payment and communication evidence.
- Record the remedy, forum, limitation, appeal path and State variation before sign-off.

Finin2min takeaway: for payment of bonus, the defensible answer is not a policy label - it is the event-date law, the mapped procedure, the calculation and a complete evidence trail.