

## 16.1 END-OF-YEAR BONUS

- 16.1.1 An End-of-Year Bonus was paid for the very first time to public sector employees in the year 1975 in the wake of windfall gains following the sugar boom. Thereafter, it was paid annually through legislation as well as Circulars issued by the Ministry of Finance and subsequently the 2003 PRB Report elevated it to the status of Condition of Service. Today, the payment of End-of-Year Bonus, equivalent to one month's salary, constitutes an essential feature of the Conditions of Service of public sector employees.
- 16.1.2 In the context of this Report, the proposal of stakeholders to introduce a 14<sup>th</sup> month bonus could not be retained. However, we are enhancing this condition for Government employees who join a Parastatal Body/Local Authority or vice-versa and those employees of a Parastatal Body/Local Authority who join another Parastatal Body/Local Authority in the course of the year and are still in employment on 31 December.

### Recommendation 1

- 16.1.3 **We recommend that payment of End-of-Year Bonus should be based on the following provisions:**
- (i) **Public Sector employees including students, trainees or apprentices who draw an allowance instead of salary/wage whether on a monthly or daily basis should be entitled to an End-of-Year Bonus equivalent to one month's salary.**
  - (ii) **Subject to sub-paragraph 16.1.3 (iv) below, except for Supply Teachers, and officers in actingship, payment of the End-of-Year Bonus should be on a pro-rata basis to all those who reckon less than a year's service and are still in employment on 31 December.**
  - (iii) **For employees who retired during the year, the End-of-Year Bonus should be calculated on a pro-rata basis according to the period in respect of which they have drawn salary and pension respectively. This principle should also apply to employees who were on approved leave without pay during the year and have resumed duty.**
  - (iv) **Subject to sub-paragraph 16.1.3 (v), employees who were on approved leave with half pay during the whole or part of the year should be eligible for that proportion of the End-of-Year Bonus which the salary/wage actually drawn during the year bears to the total annual salary/wage.**

- (v) Government employees who join a Parastatal Body/Local Authority or vice-versa and employees of a Parastatal Body/Local Authority who join another Parastatal Body/Local Authority in the course of the year and are still in employment on 31 December should be paid End-of-Year Bonus in proportion to the respective periods of service in both organisations.
- (vi) Employees who resign from the service to join the private sector or for their own convenience or have been dismissed or are under interdiction should not be paid End-of-Year Bonus. However, those who are reinstated in their posts may be paid the End-of-Year Bonus in respect of the period they were under interdiction, subject to the approval of the Supervising Officer.
- (vii) Advisers/Officers whose contract of employment are not renewed or who give the appropriate notice for termination of their employment should be paid End-of-Year Bonus provided they have served for at least six months in that calendar year in the organisation and the End-of-Year Bonus was not pro-rated and integrated in their emoluments. The End-of-Year Bonus should be in proportion to the period served in that organisation and should be paid at the end of December of that year.
- (viii) The payment of End-of-Year Bonus, in case of death of a public officer, should be effected on a pro-rata basis to the officer's legal heirs. For the purpose of implementation of this provision, when an officer has worked for part of the month, it is deemed that he has worked for the whole month.
- (ix) Substitute employees employed "on and off" and paid on a daily basis; resource persons employed on a sessional basis but paid on a month-to-month basis; and persons employed on a sessional basis under a Bank Scheme and who:
  - (a) reckon continuous employment with the employer for a whole or part of the year; and
  - (b) are in employment on 31 December,should be paid a proportion of the End-of-Year Bonus which the salary/wage/allowance/fees actually drawn during the year in respect of normal hours of work bear to the total annual salary/wage of the corresponding grade or where there is no corresponding grade, to a proportion of the End-of-Year Bonus which the fees actually drawn during the year bear to the total annual fees of an employee who would have worked full-time.

- (x) Officers acting in a higher grade for a continuous period of 12 months, should be paid the End-of-Year Bonus based on the salary of the substantive post plus any acting allowance drawn.
- (xi) Officers who are assigned duties against:
  - (a) permanent vacancies;
  - (b) temporary vacancies which would become permanent;
  - (c) temporary vacancies arising from officers proceeding on leave without pay for a period of at least one year; and
  - (d) vice officers who were interdicted for a continuous period of more than one year,should be paid the End-of-Year Bonus based on the salary of the substantive post plus any acting allowance drawn. In case the officer proceeds on approved leave during the calendar year, the End-of-Year Bonus should be computed on a pro-rata basis, provided the officer had been assigned the higher duties for a continuous period of at least four months in that calendar year.
- (xii) Supply Teachers, although not in employment on 31 December, should be paid End-of-Year Bonus on a pro-rata basis provided they have served for at least six months in a calendar year.

