

JCM

STAFF SIDE OF NATIONAL COUNCIL – JCM

for

CENTRAL GOVERNMENT EMPLOYEES

MEMORANDUM

Submitted to

**8th Central Pay
Commission**

On Common Service Matters of
Central Government Employees
&
Existing Pensioners Demands

14th of April, 2026

5. Performance Incentive


The following categories on the Performance Incentive are applicable:

- Performance Pay
- Bonus
- Any other

STAFF SIDE OF NATIONAL COUNCIL - JCM for Central Government Employees

MEMORANDUM Submitted to 8th Central Pay Commission on Performance Incentive

VARIABLE PAY & PERFORMANCE PAY




Performance incentive


Additional and Supplementary Benefit

Assured Wages and Benefits

Extend PRI Scheme to all DRDO employees



PRI Scheme in vogue:
Dept of Atomic Energy & Space



PRI NOT extended:
Defence Research & Development Organization (DRDO)

Focus on TEAM OUTCOMES

Clear Key Performance Index (KPI)

Safeguards against subjectivity


Balanced Approach: Ensuring Motivation without compromising Fairness

Clear Key Performance Index (KPI)


Balanced Approach: Ensuring Motivation without compromising Fairness

Government Work is Collaborative and Collective

BONUS & DEFERRED WAGE PRINCIPLE



Payment of Bonus Act 1965



Bonus is a **DEFERRED WAGE**


Statutory Minimum 8.33% Wages


(a) Productivity Linked Bonus Scheme (PLB)

Railways, Defence Production Units (Ordnance Factories), Naval Dockyards, Army/Navy/Airforce Workshops & Depots, DGQA and DGAQA under DDP

(b) Adhoc Bonus (Non-PLB)

Applicable to Other Central Government Employees

CURRENT CAP: Calculated on Monthly Emoluments capped at ₹7,000/- for 30 days 

DEMANDED: Remove Capping & grant Bonus on Actual Emoluments (Basic Pay + DA) 

Defence Civilian Employees (Ordnance Factories, EME, etc.) getting PLB less than 30 days (e.g., 18 or 23 days). Callin a Violation of Bonus Act & Principles.

Demands:

- ▶ Minimum Bonus should not be less than 30 days emoluments for all
- ▶ Remove ceiling on maximum PLB days (Railways, Defence, Postal)
- ▶ Bonus Paid to ALL employees irrespective of Rank and Post

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Performance Incentive

Q 5 What concerns / views do you face related to Performance Incentive ?

Select those which are applicable

Variable Pay

Performance Pay

Bonus

Any other

(377 WORDS & 2226 CHARACTERS)

What concerns / views do you face related to Performance Incentive?

Variable Pay & Performance Pay :-

Any performance incentive should be over and above the assured elements of wages and other benefits the employees are otherwise entitled as an additional and supplementary benefit. PRI Scheme is in vogue in the Department of Atomic Energy & Space, however, the same is not extended to the employees of Defence Research & Development. PRI Scheme may be extended to all DRDO employees also. Performance pay should focus more on team outcomes, with clear Key Performance Index and safe guards against subjective. Government Work is collaborative and collective Therefore a balanced approach should be there on performance related incentives which ensures motivation without compromising fairness.

Bonus :-

The Payment of Bonus Act 1965 established the Principle that Bonus is a deferred wage, with a statutory minimum of 8.33 % wages. Even though the Act doesn't directly apply to the Central Government Employees, the Bonus scheme for them are derived from its principle only. At present two different systems operate, one is (a) Productivity Linked Bonus Scheme applicable to employees in Railways, Defence Production Units (Ordnance Factories) Naval Dockyards, Workshops and Depots under Army, Navy & Airforce, DGQA and DGAQA under DDP. The second one is (b) Adhoc Bonus (Non-PLB) applicable to other Central Government Employees.

At present the Productivity Linked Bonus (PLB) and Adhoc Bonus is calculated on the Monthly Emoluments capped at Rs.7,000/- for 30 days. This is an irrational stipulation and must be removed. The 8th CPC is requested to remove the said capping and grand the Bonus on the basis of the actual emoluments (Basic Pay + DA) of the employees. Apart from this for the past few years it is observed that the Defence Civilian Employees of Ordnance Factories, EME Workshops etc., who are governed under the PLB scheme are

getting PLB which is less than 30 days wages like 18 days PLB and 23 days PLB which is a clear violation of the Bonus Act and the Fundamental Principles of Bonus. It is proposed that the 8th CPC may recommend that even in the case of PLB the Minimum Bonus should not be less than 30 days emoluments. Even for the maximum number of days PLB there is a ceiling fixed by the Government in the case of Railways, Defence and Postal. Such ceiling should also be removed. We also propose that considering the contribution of all category of employees, bonus may be paid to all employees irrespective of Rank and Post etc.