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ROYAL GOVERNMENT OF BHUTAN

MINISTRY OF FINANCE
TASHICHHO DZONG
THIMPHU

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FINANCE MINISTER

No. MoF/DMEA-ICGD/17/2019/ 587

5th December, 2019

NOTIFICATION

Subject: Amendment of the Notification on the Pay Revision of the State-Owned Enterprises (SoEs)

The Ministry of Finance amends the Notification No. MoF/DMEA-ICGD/17/2019/516 dated 29th November, 2019.

The revisions, which shall come into effect from 1st December 2019, are as follows:

1. The Pay for the Chief Executive Officer (CEO)

a) The Pay for CEOs shall be revised by 6% as provided in Annexure A.

2. The Pay for the Regular Employees

a) The Pay for the regular employees shall be revised by 14-35% as provided in Annexure B.

b) The Pay Fixation shall be as provided in Annexure C.

3. Performance Based Variable Incentives (PBVI):

a) The existing 25% corporate allowance will be replaced by the PBVI ranging from 15-50% of the basic revised salary.

b) The assessment for PBVI will formally begin from calendar year 2020. The PBVI will be implemented as follows:

i) 50% of the basic pay per annum for Excellent Category;

ii) 35% of the basic pay per annum for Very Good Category;

iii) 25% of the basic pay per annum for Good Category;

iv) 15% of the basic pay per annum for Satisfactory Category.

c) The CEOs also shall be eligible for PBVI.

4. House Rent Allowance:

a) An additional allowance starting this revision is the HRA, where by 20% of the basic revised pay shall be provided to employees upto corporate grade 10, and a lump sum of Nu. 3,500 per month for Grade 11 and below, whichever is higher.

b) CEOs shall not be eligible for HRA, however they will continue to draw the existing contract allowance.

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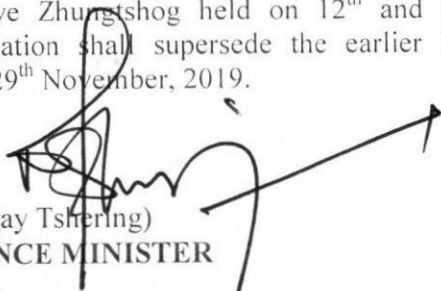
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5. **Banking Allowance:** Banking allowance shall remain unchanged.
6. **Contract Employees:**
 - a) The Pay, Allowances and Benefits of the Contract Employees other than the CEOs shall be determined by the respective boards in keeping with the contract conditions.
7. **Travelling Allowance:**
 - a) The daily allowance and travelling allowance for in-country travel will be pegged with that of the revised TA/DA for civil servants (Position Classification of civil servants to be matched with Corporate Grade).
 - b) However, if the revised rate is lower than the existing rate as per the Service Rules of the SoE, the company may continue to follow their Service Rule, following a review by the Board.
8. **Provident Fund (PF) and Gratuity:**
 - a) The Provident Fund (PF) contribution from the employer shall be revised from 11% to 15%.
 - b) The gratuity ceiling of Nu.1.500 m shall be revised with no ceiling.
9. **Other Allowances:**
 - a) All other company specific allowances shall be continued as per the Service Rules of the SoEs, unless changes arise from the ongoing SoEs reform.
 - b) However, the Boards of the SoEs shall carefully study various allowances employees were entitled to until today, to ensure relevance, affordability and most importantly to prevent proliferation of the allowances.

This has reference to the Pay Revision Act 2019 and the 41st, 42nd & 43rd Session of the Lhengye Zhungtshog held on 12th and 26th November and 3rd December, 2019. This Notification shall supersede the earlier Notification No.MoF/DMEA-ICGD/17/2019/516 dated 29th November, 2019.


(Namgay Tshering)
FINANCE MINISTER

Copy to:

1. Dasho Zimpon, Office of the Gyalpoi Zimpon, Tashichho Dzong.
2. Principal Secretary, Office of the Hon. Prime Minister, Gyalyong Tshogkhang.
3. Auditor General, Royal Audit Authority, Thimphu.
4. CEOs of all the State-Owned Enterprises, and
5. CEO, National Pension and Provident Fund, Thimphu.



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Annexure-A

Pay Scale of CEOs

SOE	Min	Increment	Maximum
NPPF & BDBL	85,500	2,140	98,340
Other SOEs	75,000	1,875	86,250

Annexure-B

Pay Scale of Regular employees

Corporate Grade	Min	Increment	Maximum
1	55,580	1,390	83,380
2	46,980	1,175	70,480
3	38,290	955	57,390
4	33,820	845	50,720
5	30,155	755	45,255
6	26,850	670	40,250
7	21,990	550	32,990
8	20,230	505	30,330
9	18,955	475	28,455
10	17,605	440	26,405
11	15,620	390	23,420
12	14,450	360	21,650
13	13,705	345	20,605
14	13,095	325	19,595
15	12,095	300	18,095
16	11,230	280	16,830
17	10,685	265	15,985
18	10,655	260	15,855
19	10,180	255	15,280

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Annexure-C

GUIDELINES FOR PAY FIXATION - 2019

- | | |
|---|-----|
| 1. Existing pay scale: | Nu. |
| 2. Basic Pay as on 30.11.2019 (<i>Present pay</i>): | Nu. |
| 3. Increase the basic pay under Sl. No. 2 by: | |
| i. 14 percent at Corporate Grade 1 to 2 level; | |
| ii. 18 percent at Corporate Grade 3 to 8 level; | |
| iii. 22 percent at Corporate Grade 9 to 13 level; | |
| iv. 24 percent at Corporate Grade 14 to 17 level; | |
| v. 30 percent at Corporate Grade 18 level; and | |
| vi. 35 percent at Corporate Grade 19 level. | |
| 4. Personal Pay (if any): | Nu. |
| 5. Revised Pay (2+3+4): | Nu. |
| 6. Revised Pay Scale: | Nu. |
| 7. Re-fixed basic pay w.e.f 1.12.2019: | Nu. |
| 8. Personal Pay, if any (5-7): | Nu. |

Note:

1. If the Revised Pay so arrived at (5 above) is less than the minimum pay of the Revised Pay Scale, the pay shall be fixed at the minimum pay of the Revised Pay Scale. However, to protect the seniority, pay fixation shall be done through increments.

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