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MoF/DPBP/Rules.1/2023-24/132

16<sup>th</sup> August 2023

All Finance Personnel  
Royal Government of Bhutan

All Human Resource Personnel  
Royal Government of Bhutan

**Subject: Clarification on Pay Structure Reform & Pay Revision Notification 19<sup>th</sup> July 2023**

Sir (s)/Madam (s),

This has reference to the Pay Structure Reform & Pay Revision Notification dated 19<sup>th</sup> July 2023. The Ministry of Finance has been receiving numerous queries for clarification on the pay structure reform & pay revision from the finance and HR personnels and in order to bring everyone on the same level, we would like to clarify all the issues received for clarifications as follows:

**1. Pay Revision for public servants on Long Term Training (LTT)**

As per BCSR 2018, Public servants on LTT are eligible for the basic pay, house rent allowance and LTC. Since there is no revision in the basic pay and the house rent, there shall be no changes in the payment of entitlements (basic pay & house rent) for public servants on LTT. However, since they are eligible for LTC while on LTT, the monthly prorated LTC as per the position levels shall be provided to the public servants on LTT. Therefore, the only revision eligible for those on LTT is the monthly prorated LTC.

**2. Pay Revision for Contract employees**

Public Servants recruited on contract pegged to the civil service position levels shall be eligible for the pay revision at par with the position levels of the civil service.

**3. Pay Revision for project tied contract employees pegged to civil service position levels**

The pay revision for the project tied contract employees pegged to the civil service position levels shall be eligible subject to the approval from the project's competent authority.

**4. Overtime Allowance for ESP & GSP**

The BCSR 2018 rule of overtime allowance for the S5 and below position levels will also apply to the ESP & GSP personnel.

**5. Revision for substitute Teachers/National Contract Teachers (NCT)**

The pay revision will also be eligible for the substitute teachers and the National Contract Teachers at par with the pegged civil service positions. However, they shall not be eligible for the prorated LE similar to Teachers.



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**6. Industrial Experience for Teaching Allowance**

The payment of the teaching allowance shall be based on the number of years of active service put into the teaching profession and not the total number of years served in the civil/public service.

**7. Mileage and DA for non-civil servants**

The entitlements for non-civil servants attending RGoB meetings/seminars/workshops/tours/trainings are as follows:

- The mileage shall be at par with the civil servants with the same terms and conditions for the claims;
- The DA rate shall be Nu. 1,500 per day with the same terms and conditions for civil servant claims; and
- Non-civil servants shall mean employees of private/corporate organizations attending the RGoB meetings/seminars/workshops/tours/trainings only.

**8. Children Education Allowance (CEA) for Bhutan for the children of the foreign service members posted outside Bhutan**

For children studying in Bhutan, CEA at the rate of Nu. 20,400 (equivalent to USD 250) per month or on actual expenses, whichever is lower, shall be applicable. Actual expenses shall include only the school fees and the CEA for Bhutan shall only be paid in the Bhutanese currency (ngultrum).

**9. Calculation of contract allowance**

The contract allowance shall be calculated on the Monthly Basic Pay (minimum pay plus increments) and not on the minimum pay scale.

**10. Gratuity Calculation**

There shall be one method of calculation for all public servants as per the Pay Structure Reform Act of Bhutan 2022 as follows:

- Calculated at one month's last basic pay for every completed year of service;
- A minimum of 10 years of service shall be required for all public servants to be eligible for gratuity, except for those on contract/term-based appointments including Members of the Parliament/ and death cases which shall be governed by the contract agreement or dealt on a case-by-case basis;
- A contract employee shall be entitled to receive one month's last basic pay as gratuity for every completed year of satisfactory contract service.
- There shall be no ceiling for the payment of gratuity; and



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- The practice of rounding of six months and above as one year for the calculation of gratuity payment is hereby discontinued with effect from 1st July 2023 and the gratuity calculation formula provided in the Pay Structure Reform & Pay Revision Notification 19th July 2023 shall be applied.

**11. Rental ceiling for Kolkata/Guwahati for position levels S1-04**

Sl. No	Position	Amount in USD
1	S1-04	220

**12. Exchange rate for transfer of salary and other benefits for the foreign service members**

The foreign exchange rate for the transfer of salary and other benefits which are eligible in Ngultrum for foreign service members shall be the exchange rate prevailing during the time of the transfer of the salary and other benefits.

**13. Domestic Help Pay**

The entitlement of Domestic help is as follows:

- With effect from 1st July 2023, the salary of the domestic help for the National Council Chairperson/Chief Justice of Bhutan/Chairman of the Privy Council shall be Nu. 9,450 paid in-lieu of domestic help along with the salary of the entitled public servant; and
- For the Prime Minister and the Ministers of the Third Parliament, the domestic help salary shall be maintained at the existing level. The disbursement of the domestic help salary shall not be clubbed with the salary of the entitled public servant and shall be paid separately to the domestic help as salary. The domestic help shall not be entitled for the HRA.

**14. Treatment of Soleras**

The treatment of solera, be it in the form of lump sum amounts or increments shall be added under the variable pay like an allowance and shall not be merged with the basic pay.

**15. Public servants under suspension**

Public servants placed under suspension are eligible for 50% of the basic pay as subsistence allowance as per BCSR 2018. Therefore, the pay revisions under the Pay Structure Reform Act of Bhutan 2022 & the Pay Revision Act of Bhutan 2023 are not applicable for public servants placed under suspension.



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**16. Categorization of Drungtsho under Specialist and Subspecialist levels**

The categorization of the Drungtsho under practicing Drungtsho/Drungtsho Specialist/Drungtsho Sub-Specialist has to be certified by the Medical and Health Professionals Council under the Bhutan Qualifications and Professionals Certification Authority (BQPCA).

**17. Dean Allowance for Royal University of Bhutan (RUB)**

The dean allowance was not eligible for the Royal University of Bhutan in the past pay notification (25th October 2019) for RUB as well as not covered in the Pay Revision Act of Bhutan 2023. Therefore, the dean allowance is not eligible for RUB.

**18. LE for public servants on probation**

Public servants under probation shall also be eligible for the prorated LE & LTC.

**19. General Duty Medical Officer (GDMO)**

The GDMOs pursuing post graduate courses shall be eligible for 55% of the minimum pay scale as clinical allowance. This is applicable only for the KGUMSB like the existing practice as well as only applicable for the GDMO position level as per the BCSR 2018.

**20. Personal Pay**

The personal pay provided for public servants until June 2023 shall be clubbed under the variable pay and not under the basic pay. Personal pay with effect from 1st July 2023 shall be discontinued and those already receiving the personal pay until June 2023 shall be merged under the variable pay.

**21. LE for ECCD & NFE**

The ECCD & NFE personnel shall be eligible for the prorated LE.

**22. Leave Encashment**

Leave encashment shall be on the minimum pay scale and not on the basic pay.

**23. Leave Travel Concession (LTC)**

The LTC ceiling shall be maximum of Nu. 15,000.

Yours sincerely,

(Leki Wangmo)  
Acting Secretary