



REPORT OF THE FOURTH PAY COMMISSION

(9th January – 5th April, 2019)

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Executive Summary

The Royal Government of Bhutan, through an Executive Order on 9th January 2019, established the 4th Pay Commission as a time bound Commission to examine and recommend revision of pay, allowances and benefits of the public servants.

At the outset, the Commission took cognizance of the **Government's commitment in narrowing the income gap** while being mindful that such gaps may lie not only within but also outside the public service, and guided primarily by- need to compensate employees “**fairly and reasonably**” based on their responsibilities at various levels.

The Commission extensively reviewed past reports, held detailed consultations with various Government and non-Governmental agencies including the private sector, and visited a Dzongkhag to meet public servants working outside the Capital to get a holistic understanding and expectations before arriving at the recommendations. The Commission also deliberated on the various relevant legal provisions to determine the scope of the Pay Commission and the procedures required to be followed in the formulation, adoption and implementation of any pay revision. Further, the Commission also reviewed comments received through a dedicated website and a Facebook page, created specially to enable the general public to provide feedback and express their opinions on issues related to pay and allowances.

Guided by the mandates of the Executive Order, the Commission formulated a Pay Policy based on the three guiding principles of **protecting erosion of income from past-unadjusted inflation, linking salary to performance, enhancing the post-retirement benefits**, while also attempting to ensure parity of pay, allowances, and benefits amongst different classes and levels of public servants. **To prevent ad-hoc pay hikes that distort market dynamics and to compensate for annual income erosion, the Commission also recommends salary indexation.**

In view of the fact that rising income levels of public servants through pay revision tend to create inflationary pressures, the Commission recommends dispersing the overall benefits rather than a straight upfront increase in basic pay. Accordingly, the total pay revision for public servants will consist of three components, viz. modest increase in the basic pay, and monetary reward in the form of Performance Based Incentive (PBI) and additional government contribution to post-retirement benefits (PF). This is a strategy adopted deliberately to prevent price distortions in the market based on the trends of past pay revision exercises that

immediately led to increases in house rents and price of commodities leaving the public servants with little real benefit.

These principles will not only neutralize the impact of pay revisions on market prices, but is expected to bring in improvements in performance and productivity of public servants, while also providing a greater sense of security upon retirement, through enhanced retirement benefits.

Further, it will also serve as a benchmark for the corporate and private sectors while formulating their pay structure and determining the minimum wage level. Some of the main recommendations of the Commission are highlighted below:

Pay Revision:

The Commission first determined the minimum amount that would be required for the lowest level of public servants, which is Elementary Service Personnel (ESP) to maintain an adequate standard of living. The amount is determined based on Household Expenditure method, using the Bhutan Living Standard Survey 2017 which worked out to Nu.9,000 a month. Therefore, this was fixed as the minimum monthly basic pay for ESP, representing 29% increase from the existing pay.

The next consideration was to adjust the real income erosion for the last five years (since July 2014). After adjustment of lump sum annual increment of 2% per annum for five years (10%) against the past inflation of 21%, the real income erosion is about 11% for this period. The Commission also made necessary changes in the overall pay structure, in order to obtain a smooth incremental pattern between various position levels. Through these adjustments, the Commission recommended revision of basic pay of public servants ranging from 14% to 29% with higher rate of revision at the lower levels, a feature of narrowing the income gap.

Performance Based Incentives:

To promote meritocracy and excellence in the public service, the Commission recommends introduction of performance-based incentive. This would improve the efficiency of the public servants to achieve individual and organizational targets, thus benefiting both employees and the country at large. This part of pay that will be payable at the end of the year also forms a part of forced savings for public servants, which will enable them to make bulk purchases of required items. To begin with, the Commission recommends an additional allocation of 10% of

annual pay to be earmarked, of which 5% will be for agency level performance and 5% for individual level performance.

Post-Retirement Benefits:

Considering the steady increase in cost of living and the need for ensuring secured livelihood after retirement, the Commission recommends enhancing the employer's component of PF contribution by an additional 7%, from 11% to 18%. From the perspective of introducing post-retirement benefits at the lower tier of public employees, the Commission also recommends extending the same level of PF scheme to ESP & GSP. With this additional allowance ESP's overall benefit increases by 77% (basic pay 29%, PBI 10%, PF 18%, and HR 20%) and GSP's by 51% (basic pay 23%, PBI 10%, and PF 18%).

The Commission also recommends lifting the existing gratuity ceiling of Nu.1.5 million to encourage public servants to serve longer and enhancing the post-retirement benefits.

Allowances:

Professional Allowances:

Medical and Clinical: The Commission recommends that the existing professional allowance be maintained and enhanced for medical and clinical staff. Further, recognizing the associated risk, hardships and odd hour duty, the Commission recommends introducing On Call, Critical Care services, and Night Duty allowances.

Teaching: In order to attract and retain qualified professionals into the teaching profession, the Commission recommends the existing teaching allowance to be maintained and enhanced. Further, additional allowance based on proficiency is recommended to be introduced once the Bhutan Professional Standards for Teachers (BPST) is implemented.

Heads of Constitutional Offices: Given the significance of their roles and responsibilities, the Commission recommends introduction of a monthly special responsibility allowance for the Heads of the four Constitutional Offices (ACC, ECB, RAA, RCSC).

House Rent Allowance:

Past pay revision exercises have been immediately followed by increase in house rents. To prevent this, the Commission recommends that the lump sum house rent allowance be fixed at 20%, but calculated at revised minimum basic pay for public servants.

It is also recommended that the house rent allowance be extended to ESP and enhanced to 30% for term-based appointments.

TA/DA Allowances:

The Commission recommends the revision of daily allowance by 100% at the lower level and 33% at the executive level. Further, the Commission recommends 50% daily allowance when both food and lodge is provided. With respect to travel allowance, the Commission recommends uniform mileage from S5 level and above at a rationalized mileage rate of Nu.10 per km. In addition, the Commission recommends revision of DSA for in-country training by 100% from Nu.1,000 to Nu.2,000.

For the Members of Parliament, the Commission recommends revision of driver and, fuel and maintenance allowance by 66% and 43% respectively.

Foreign Service Allowances:

The Commission recommends the revision of the Foreign Service allowances and extension of the representational grant to the Liaison and Transit Office (LTO), Kolkata. The highlight of the revision in this category is recognition of RBE, New Delhi, as the oldest embassy, due to which the Commission recommends revision of the foreign allowance and representational grant by 100%. Gradual replacement of local staff with Bhutanese staff is also recommended in all RBEs and Missions in order to pass on employment opportunities to Bhutanese nationals.

Designated Vehicle and Vehicle Import Quota:

In view of the importance of the roles and responsibilities, the Commission recommends designated vehicle for the Heads of Departments and Autonomous Agencies, in addition to those positions that have already been granted such privilege.

The Commission recommends monetization of the vehicle import quota for the public servants with a ceiling of Nu.0.800 million at Nu.0.250 million and the same to be extended to the Gups and Thrompons as well.

With respect to the vehicle import quota entitlement of Members of Parliament, Cabinet Ministers and Equivalent Position Holders, an option of monetization at Nu.1.5 million has been recommended and the same is to be extended to the term-based appointments.

Other recommendations:

First Home Loan Scheme:

Although decent housing is a basic need, availability of affordable housing continues to be a major challenge. In order to promote home ownership, the Commission recommends the introduction of First Home Loan Scheme with facilities such as providing land on lease, subsidized interest rates, and access to basic construction materials at concessional rates.

Legal Provisions:

In order to elucidate the provisions of Article 30 of the Constitution and to harmonize the existing Entitlement Acts with the provisions of the Constitution, the Commission recommends enactment of a Pay Commission Act. This Act would stipulate clear procedures for adoption of the Pay Commission Report while also clarifying the roles of the Pay Commission, the *Lhengye Zhuntshog* and the Parliament in this process, which currently appears to be vague and subject to multiple interpretations.

Financial Implication:

The net annual financial implication of the recommended revision of pay, allowances and benefits is estimated at Nu.4.238 billion, which is an increase of about 30% from the existing pay and allowances expenditure. The financial implication over the next four years is about Nu.17.913 billion, which is within the fiscal space of the 12th FYP Outlay. The Commission also recommended revenue enhancement measures and expenditure rationalization for improving the fiscal position in the medium term.

Implementation:

The Commission recommends implementation of the revision of pay, allowances and benefits with effect from 1st July 2019.

1. Background

1.1 Establishment of the Pay Commission

The Fourth Pay Commission was established under the Government Executive Order No. C-2/4-5/47 dated 9th January 2019 in keeping with Article 30 of the Constitution of Kingdom of Bhutan. (*Annexure 1*)

1.2 Composition of the Commission Members

The Commission comprised of the following Members:

1. Dasho Penjore, Governor, RMA: Chairperson
2. Dasho Karma Yezer Raydi, CEO, DHI
3. Nim Dorji, Finance Secretary, MoF
4. Tshering Dorji, Registrar General, Supreme Court
5. Kesang Deki, Commissioner, RCSC
6. Dungtu Dukpa, CEO, NPPF
7. Sangay Dorji, Secretary General, BCCI
8. Chhime Tshering, Director, NSB
9. Chencho Tshering, Chief, PPD, MoF: Member Secretary

Secretariat for the Commission from the Ministry of Finance

1. T.N. Sharma, Budget Analyst, DNB, MoF
2. Tshering Dorji, Dy. Chief Statistical Officer, DMEA, MoF
3. Thinlay Yandon, Offtg. Chief Program Officer, DMEA, MoF
4. Deki Yangzom, Chief Legal Officer, Legal Division, DoS, MoF

1.3 Tenure

The Commission was instituted for a period of 3 months from the date of issue of the Government Order. The Commission is to be dissolved from the date of submission of the Report to the RGoB or on completion of its term, whichever is earlier.

1.4 Terms of Reference

As provided under Section 2, Article 30 of the Constitution, and in keeping with the Executive Order issued by the Government, the Commission was to examine and recommend to the Government:

- i. The revision in the structure of the salary, allowances, benefits and other emoluments of the Civil Service, the Judiciary, Members of Parliament and Local Governments, the Holders and Members of Constitutional Offices and other Public Servants.
- ii. For ensuring that the revision is fair, especially in consideration of those at the lower and middle position of the civil service, the Commission shall be mindful of the Government's pledge to narrow the income gap and consider the possibility of granting equal increase in the form of lump sum across the board;
- iii. Provision of uniform Travel Allowance and Daily Allowance rate to Civil Servants of P1 level and below;
- iv. Revision of Teaching (professional) Allowances to make Teaching the most preferred profession in the country;
- v. Revision of Foreign Service Entitlement Rules 2002;
- vi. Feasibility of providing allowances for extra hours, hazard and health risk, night duties and emergency services in order to attract and retain doctors and health worker in the health system for taking free, equitable and quality health care to people for building a healthier nation;
- vii. Allowance for Attorneys of Office of the Attorney General;
- viii. Improving the post service benefits such as pension payout, gratuity and provident fund through simplification of rules and increasing the contribution;
- ix. The financial implication of regularizing the contract employees recruited through RCSC;
- x. Entitlement of designated duty vehicle for Heads of Department and Autonomous Agency and feasibility of introducing conveyance allowance;
- xi. Vehicle Quota (tax free import of vehicle) system and monetization thereof;
- xii. On the cost effectiveness of monetizing the provision of laptop for public servants as entitlement;
- xiii. A mechanism for review and revision of pay and allowances on an annual basis after taking into account the state of the economy and inflation rather than waiting for change in Government.

Further, the Commission was also to deliberate on any other important issues as per directives of the *Lhengye Zhungtshog*.

2. General Principles

In fulfilment of its solemn mandate, the Pay Commission was primarily guided by the letter and spirit of the Constitution of the Kingdom of Bhutan. The following specific provisions guided the Pay Commission in making recommendations to the Government on revisions of the structure of salary, allowances, benefits and other emoluments of the Royal Civil Service, the Judiciary, the members of the Constitutional Offices and all other Public Servants.

Article 7 (Fundamental Rights)

Section 11: A Bhutanese citizen shall have the right to equal pay for work of equal value.

Article 9 (Principles of State Policy)

Section 13: The State shall endeavor to ensure the right to rest and leisure including reasonable limitation of working hours and periodic holidays with pay.

Section 14: The State shall endeavor to ensure the right to fair and reasonable remuneration for one's work.

Article 14 (Finance, Trade and Commerce)

Section 6: The Government shall ensure that the cost of recurrent expenditures is met from internal resources of the country.

The Commission's work was also guided by following macroeconomic considerations as per the Terms of Reference.

Fiscal sustainability: Ensure that the proposed salary revision does not undermine the long-term fiscal sustainability and economic stability of the country, and is in keeping with the relevant provisions of the Constitution. As such, any upward revision of pay and allowances shall be met through additional revenue and expenditure rationalization as follows:

- a. **Revenue enhancing measures:** The Commission shall identify sources of revenue and possible revenue enhancing measures to finance the revision of the pay and allowances.

- b. ***Expenditure rationalization:*** The Commission shall recommend areas for expenditure rationalization such as cost cutting and other measures to meet some portion of the recommended revision.

Macro-economic impact: The Commission shall consider the impact of salary revision on inflation, reserves and balance of payments and recommend strategies to mitigate any adverse impact.

Spiraling effect: Be mindful of the spiraling effect on the salaries of the private, corporate and other sectors in the country that could negatively impact the economy.

3. Scope

In order to delineate the scope of the Commission's work, first referred to relevant laws and consulted relevant agencies to define "Public Servant", for whom the revisions in pay and allowances were to be applicable. Following such procedures, for the purpose of the Commission's recommendation, a **'Public Servant'** is defined as **a person whose salary, allowances, benefits and other emoluments are drawn from the Consolidated Fund**. However, capitation fees, stipends, subsidies, and transfers drawn from the Consolidated Fund for salaries, allowances, benefits, and other emoluments for a 'Public Servant' are excluded from the purview of the Pay Commission. The revision of such withdrawals from the Consolidated Fund should be in accordance with the existing practice and by the Government as and when necessary.

4. Procedures for Tabling the Pay Commission Report

4.1 Constitutional Provisions on Pay Commission

The Constitution of the Kingdom of Bhutan has provisions on the Pay Commission under **Article 30** as follows:

Section 1: There shall be a Pay Commission, headed by a Chairperson, which shall be autonomous and shall be constituted from time to time, on the recommendation of the Prime Minister.

Section 2: The Pay Commission shall recommend to the Government revisions in the structure of the salary, allowances, benefits, and other emoluments of the Royal Civil Service, the Judiciary, the members of Constitutional Offices and all other public servants with due regard to the economy of the Kingdom and other provisions of this Constitution.

Section 3: The recommendations of the Commission shall be implemented only on the approval of the *Lhengye Zhungtshog* and subject to such conditions and modifications as may be made by Parliament.

These constitutional provisions, though, could be interpreted in diametrically opposite ways with regard to the role and extent of the various institutions involved in the pay revision process-the Pay Commission, the *Lhengye Zhungtshog* and Parliament. Therefore, in order to obtain a clear and common understanding of the letter of spirit of the Constitutional provisions, the Commission consulted the Office of the Attorney General (OAG). Based on the consultation with the OAG, the Commission draws the following interpretation of Section (1) (2) and (3), Article 30 of the Constitution:

The Pay Commission is a time bound autonomous body constituted on the recommendation of the Prime Minister to ensure uniformity and parity in the revisions of salaries, allowances, benefits, and other emoluments of the Public Servants. The fact that such a time bound body is granted Constitutional status requires the *Lhengye Zhuntshog* and Parliament to give due regard and gravity to the recommendation submitted by the Pay Commission.

According to Section 3 of Article 30, the Pay Commission's recommendations shall be implemented only on the approval of the *Lhengye Zhungtshog*, which implies that the *Lhengye Zhungtshog* has the full authority to either approve or to reject the recommendation of the Pay Commission. In case the *Lhengye Zhungtshog* accepts the Pay Commissions recommendations with changes, the changes shall be from

within the recommendations and cannot go beyond the recommendations. It also designates the *Lhengye Zhungtshog* as the final authority since any recommendation can be implemented “*only on the approval of the Lhengye Zhungtshog*”.

Section 3 also states that Parliament may set conditions and make modifications to the Pay Commissions recommendations. However, the conditions and modifications proposed by Parliament should be confined within the limitation of its recommendations and not exceed or go beyond them. Conditions and modifications here are to be construed as improvement on the submitted recommendations but Parliament may not rule out the substance recommendations of the Pay Commission in entirety. Given the Constitutional status of the Pay Commission, it would be morally tenable on the part of the Parliament that the modifications it makes and conditions it asserts to the recommendations of the Pay Commission do not significantly deviate from the recommendations of the Pay Commission. If the conditions and modifications made by the Parliament wholly transform the basic structure and framework of the Pay Commission, the sole purpose of the autonomous formation of the Pay Commission is defeated. Moreover, the recommendations made by the Pay Commission are likely to be more “***fair and reasonable***”, as required by the Constitution, since their recommendations are derived through detailed consultations with relevant stakeholders as well as thorough studies and analysis by the experts of the prevailing economic situations of the country.

4.2 The relevance of the Entitlement Acts

As per the Constitution, all laws in force in the territory of Bhutan at the time of adopting the Constitution shall continue until altered, repealed or amended by Parliament. However, the provisions of any law, whether made before or after the coming into force of the Constitution, shall be null and void if deemed inconsistent with the Constitution.

With the transition to Democracy, the Parliament passed many Entitlement Acts of which some are as follows:

1. The Parliamentary Entitlements Act of the Kingdom of Bhutan 2008 & 2014 (Amendment)
2. The Entitlement and Service Conditions Act for Holders, Members and Commissioner of Constitutional Office of Bhutan 2010 & 2015 (Amendment)
3. The Local Government’s Entitlement Act of Bhutan 2015
4. The Judicial Service Act 2007

A harmonious reading of the provisions of the Constitution and the Entitlement acts makes it clear that the Entitlement Acts merely sets a broad framework for entitlements which would materialize only through the recommendations of the Pay Commission.

4.3 Reporting Procedure for Pay Commission's Recommendations

The first and second Pay Commission's recommendations were submitted to the Parliament in the form of a Pay Revision Report and endorsed by the Parliament as a report. However, the third Pay Commission's recommendations were submitted in the form of Pay Revision Report but was passed as a 'Money Bill' and enacted as an 'Act'.

There are three types of bills as per Section 2, Article 13 of the Constitution as follows:

- i. Money Bill
- ii. Financial Bill
- iii. Legislative Bill

As per Section 46A of the Public Finance (Amendment) Act of Bhutan 2012, a money and financial bill is defined as follows:

A Money or Financial Bill is a Bill which contains only provisions dealing with all or any of the following matters:

- (a) Imposition or increase of any tax or abolition, reduction or remission of any existing tax.
- (b) Government spending that is, appropriation or payment of moneys out of the Consolidated Fund;

If any question arises whether a bill is a Money Bill or not, the decision of the Speaker thereon shall be final.

In view of the above definition on money bills and financial bills, the Commission recognizes that the Pay Commission's recommendation shall be tabled in the Parliament as a Pay Revision Report rather than a Money Bill. The Pay Commission's report is tabled in Parliament for it to set out any conditions or modifications on the submitted recommendations. It is not tabled for imposition, abolition, remission, alteration or regulation of any taxes; or regulation of money borrowed or any guarantee given by the Government; or for the custody and the payment of moneys into or the appropriation of moneys from

Consolidated Fund. The appropriation of moneys from the Consolidated Fund is done through the 'Budget Appropriation Bill' which contains the budget for the revision of the pay, allowances and benefits.

Tabling of the Pay Commission's report as a Money Bill and enactment as an 'Act' leads to two issues that may not be in consonance with the provisions of the Constitution. First, the National Council has no authority on Money Bills but can only provide recommendations that may be approved or rejected by the National Assembly. However, both Houses enjoy equal authority on the Pay Commission Report since Article 30 does not discriminate between two Houses. Second, Bills are approved by Parliament after which the Executive may not supersede the provisions. However, the recommendations of the Pay Commission, are implemented "only on the approval of the *Lhengye Zhungtshog*", vesting final authority on the Executive. In view of these considerations, the Commission recommends that the Pay Commission's recommendation be tabled as a Report and not as a Money Bill.

4.4 Recommendation for a Pay Commission Act

The Commission while carrying out its primary mandate of revision of salary and allowances, also recognized the need to arrive at a clear, consistent and uniform understanding of the legislative intent behind the Constitutional provisions that lend themselves to various shades of interpretation. Some of the pertinent issues are inter alia as follows

- i. Definition of Public Servants;
- ii. Approving authority of the *Lhengye Zhungtshog* and to the extent the Parliament can make conditions and modifications;
- iii. Composition of other emoluments;
- iv. Relevance of the Entitlement Acts when the Constitution mandates the Pay Commission to recommend the salary revisions, including allowances;
- v. Whether the employees of SoEs and the DHI companies are public servants and do they come under the purview of the Pay Commission.

Therefore, in order to remove these ambiguities and lay out a clear and consistent procedure for the implementation of the Pay Commission's Recommendation, the Commission recommends the enactment of a Pay Commission Act.

5. Rationale for Revision

The Commission was established in order to recommend to the Government a salary structure that provides **“fair and reasonable remuneration to one’s work”**, while ensuring **“equal pay for work of equal value”**, which are principles enshrined in the Constitution.

In addition, **as reiterated by His Majesty at various public occasions and most recently during the 111th National Day Address in Samtse Dzongkhag, the achievement of national objectives largely rests on the efficiency and productivity of the Public Servants**. Therefore, the need for a clean, compact, motivated public servant in particular, the civil servants, is critical. Only such a civil service can fully support the implementation of the plans and policies of democratically elected Government - furthering the socio-economic development towards the country’s long-term objectives of creating a **“just, harmonious, and a sustainable society”**.

Thus, it is vital to provide reasonable compensation to one’s work, recognizing proficiencies, competencies, dedication and hazards and various risks involved at work with adequate pay, allowances, and retirement benefits. The Government has also recognized that a review of the basis for pay revision is timely as Bhutan eases into the 12th FYP, especially as the country is expected to graduate from the LDC category by 2023.

Based on the above, in deriving its recommendations, the Commission adopted the following strategies:

- i. To protect real income erosion from the annual inflation in the economy;
- ii. To determine minimum pay for public servants based on household expenditure;
- iii. To revise the salary structure of the public servants based on the rationale of equal pay for the work of equal value;
- iv. To ensure parity of pay, allowances, and benefits among public servants;
- v. To avoid contingent impact on market prices, basic pay revision has been kept at a minimum;
- vi. To promote meritocracy and excellence at all levels of public service based on performance;
- vii. To enhance monthly contribution for adequate post service benefits and promote national savings;
- viii. To maintain a competitive environment, allowance in addition to the basic pay for selected professions has been recognized;
- ix. To minimize undue burden on fiscal sustainability;

The strategies are expected to serve as a National Pay Policy for formulation or revision of salaries and emoluments in the private, corporate, and other sectors in the economy.

6. Methodology

In carrying out its mandate, the Commission adopted the following methods and approaches;

- i. Reviewed the previous Pay Commission Reports and implementation;
- ii. Referred to the provisions of the Constitution and relevant laws and regulations on public service emoluments;
- iii. Held consultations with relevant stakeholders;
- iv. Analyzed public servants' growth and attrition rate;
- v. Analyzed erosion in the salary income from past years' inflation;
- vi. Reviewed existing allowances and benefits;
- vii. Reviewed Government Performance Management System (GPMS), and MaX System for linking a part of remuneration to performance;
- viii. Reviewed post-retirement benefits, assessed impact of any revision on pension payout and also considered the possibility of broadening of PF coverage besides enhancing PF contributions to improve post-retirement benefits;
- ix. Carried out quantitative analysis to ensure fiscal sustainability, which includes rationalization of Government expenditures and exploring new areas of revenue sources.
- x. Established a dedicated website and a facebook page for public views and comments.
- xi. Consultation with expert on Pay Revision from the Region.

7. Analysis on Public Servant Trend

In accordance with the definition of public servants in Chapter 3 of this report, public servants consist largely of civil servants, Members of Parliament, Judiciary, Holders and Members of the Constitutional offices, and others. **As of December 2018, there are 38,003 public servants**, of which 77.8% are regular employees and remaining is on contract. A brief analysis on existing size, composition and profile of public servants is given below:

7.1 Civil Servants

With the increasing socio-economic development and to respond to emerging priorities and to ensure timely delivery of public services, the trajectory of civil servants has been on the rise in recent years. In terms of growth, **civil servant's strength increased from 28,070 in 2017 to 29,543 in 2018**, which is about 5.2% on an annual basis.

Of the given total civil servants, 90% are on regular basis and remaining 10% are on contract. The majority of contract civil servants are in the education sector, mostly teachers, followed by support staff such as warden, matron, and ECCD care givers.

In terms of civil servants by position category, 14,051 (47.7%) are in Professional and Management (P5-P1), 12,729 (43.2%) in Supervisory and Support (S5-SS1), 2,390 (8.1%) in Operational (O4-O1) position and remaining 1% in Executive and Specialist position category.

7.2 Civil servants on contract

As per the Bhutan Civil Service Rules and Regulations (BCSR), Government agencies are allowed to recruit employees on contract against the approved staff strength, upon approval of RCSC. It is mainly to meet immediate and urgent need of manpower in the public service. Currently, there are four categories of contractual appointments based on need, expertise, required duration of project/work, availability of human resources in the market and time bound projects/works. The contractual appointments have increased from a total of 1,093 in 2015 to 3,087 in 2018 mainly to cater to the increasing human resources in the education sector and project staffing needs.

Consolidated Contract: There are 2,034 consolidated contract employees mostly in support and supervisory position. The 35% of the total employees are in education service which includes teachers,

child care givers, instructors, wardens, matrons, and peer counselors. The teachers alone comprise 10% of the consolidated contract staff and the consolidated contract staff constitutes 67% of total contract employees in 2018.

Regular Contract: There are 986 regular contract employees mostly in Professional and Management Position. More than 75% of employees are in education services with majority in teaching profession (66%). It is equivalent to 32% of total contract employees at the end of December 2018.

Special Contract: This contractual appointment is to meet the critical need and urgency requiring highly specialized knowledge and skills with a given level of experience, which is scarce in the market. Currently there are about 35 employees in this category and the remuneration is determined by the *Lhengye Zhuntshog*.

7.3 Recruitment and Separation of Civil Servants

Notwithstanding the widely touted long term policy of a “small, compact, efficient and effective” civil service, rationalization of the civil service growth remains a challenging task to contain at optimum level. The Second Pay Commission in 2014 recommended containing the annual civil service growth within 2 percent while considering the affordability of pay and allowances and to achieve its long-term policy. Except in 2015 and 2016, when this was compiled, the civil service strength increased by 4% in 2014, 3.9% in 2017 and 5.2% in 2018. The majority of recruitments were on contract basis in teaching and related services.

Table 1: Trend in Recruitment and Separation of Civil Servants

Year	2016	2017	2018
Total Civil Servants	27,029	28,070	29,543
Recruitment	1,118	2,464	2,402
Separation	656	782	929
% Change			
Total	1.6%	3.9%	5.2%
Recruitment	4.8%	120.4%	-2.5%
Separation	39.0%	19.2%	18.8%

Separation from the civil service includes employees who have superannuated, voluntarily resigned, compulsory retired, terminated, or resigned through early retirement schemes. Overall 929 employees have separated from the civil service in 2018, which is an 18.8% increase from 2017. In general, the separation rate in the civil service is lower given smooth career progression, attractive pension and other retirement

benefits compared to employees in other sectors. In terms of separation by types, about 65% of separation is on voluntarily resignation followed by 16% due to superannuation, which equals to 3% of the total civil servants.

Although overall attrition rate remains at manageable level, there is associated cost for replacement. The maximum attrition rate is in professional and management category, which is also one of the critical categories of the civil service given their level of qualification and skills. In terms of sector, the highest attrition is observed in teaching and health sectors, which again constitute highly important areas in terms of public service delivery.

Table 2: Civil Servants Attrition Trend

Position Level	2016	2017	2018	2017	2018
	Number			% change	
Executive	-	-	1		
Specialist	2	-	3		
Professional & Management	179	267	287	49%	7%
Support & Supervisory	135	135	245	0%	81%
Operational	56	65	73	16%	12%
Total	372	467	609	26%	30%

The ratio of civil servants to population has been increasing with rapid growth compared to actual increase in population. **For instance, number of civil servants increased by 64% in 2017 from 2005 while population growth was 15%, resulting to fall in civil servants per capita to 26 in 2017 compared to 37 in 2005, excluding other public servants.** The simultaneous expansion in both civil servants and other public servants in the recent years have led to increasing burden on long term fiscal sustainability while not being able to compensate competitively in consonance with the principle of **“Equal pay for equal value of work”**.

7.4 Other Public Servants

Apart from civil servants, there are other Government employees, either elected or appointed on term based or on contract basis, who do not fall within the purview of RCSC. Such other public servants include Members of Parliament, Holders and Members of Constitutional Office, elected Local Government Functionaries, General Support Personnel and Elementary Support Personnel, Para-regular staff, staff of Royal Academy of Performing Arts, Non-Formal Education instructors and Geydrung or Gewog clerks.

Table 3: Number of Other Public Servants as of December 2018

Agency	Member of Parliament	Constitutional Post	Local Govt.	GSP & ESP	NFE Instructor	Para Regular	RAPA	Others	Total
Number	72	26	1,499	5,361	553	277	114	6	7,908
Share	1%	0.3%	19%	68%	7%	4%	1%	0.1%	100%

The number of other public servants as of December 2018 is 7,908, out of which more than two third constitutes GSP and ESP with total of 5,361 personnel.

In order to maintain a compact and efficient civil service system, ***the Commission recommends civil service growth be maintained at a level that is between replacement level and population growth. Further, the Commission recommends that the strength of other public servants be maintained at the existing level and where it is cost effective, the services delivered by ESP and GSP be outsourced.***

8. Salary Revision

In order to motivate and retain public servants for efficient and effective public service delivery, there is a need to fairly remunerate while also ensuring a decent standard of living. The public servants are instrumental in achieving desired level of national development goals. Therefore, the Commission has given due importance to reviewing the pay and compensation structure in order to enhance public service performance and motivation.

The pay and allowances of civil servants was revised in July 2014. The revision ranged from 19% for highest position (Government Secretaries) to 25% for lowest position (Operational level). In addition, due to increasing house rent and rising demand for the house rent allowance, the Government approved lump sum house rent allowance across the board at minimum of 20% of the starting salary of the revised basic pay.

Similarly, other public servants like Members of Parliament and term based appointments were granted minimum of 19% increase in basic pay. The Local Government functionaries were provided higher level of revision ranging from 36-40 %, and minimum of 40% revision for other non-regular public servants like ESP, consolidated contract, and NFE instructors. In addition, the Government also revised the pay and allowance of the Local Government functionaries by 40% with effect from July 2017 except for Thrompons of the four Thromdes.

Considering that the last revision in salary for public servants was 5 years ago, a revision of the public servants' salary is seen as timely. Acknowledging the weakness in the existing system, and based on the Commission's adoption of certain guiding principles and approaches to the pay revision, the level of pay is determined as follows.

8.1 Guiding Principles for Pay Revision

The Commission has adopted the following guiding principles for determining the pay revision:

- i. **Minimum Pay:** As per the Constitution of Kingdom of Bhutan, "***The State shall endeavor to ensure the right to fair and reasonable remuneration for one's work***" (Article 9, Section 14). For this, the Commission firstly determined the minimum pay for the public servants to ensure that every individual in the public service is adequately remunerated to enable a decent standard of living.

- ii. **Pay Structure:** After a thorough review of the implementation of past salary revisions, the existing salary structure was examined to ensure that the recommendations of the Commission are relevant and applicable. The Commission observed that the current pay structure instituted in early 1980s requires modification to respond to the rapid changes in the public service. As stipulated in the Constitution, “***A Bhutanese citizen shall have the right to equal pay for work of equal value***” (Article 7, section 11), the essence of pay structure is to ensure a salary package that is commensurate to employee’s qualification, skills, experience, and performance.
Since the income of the public servants is one of the key drivers of price level in the economy, the Commission deliberately avoided increasing the basic pay by full scope of revision, but dispersed the benefits through providing additional revision in the form of Performance Based Incentive (PBI) and increasing the post-retirement benefits (PF).
- iii. **Linking Pay to Performance:** An important part of the salary revision is to promote meritocracy and excellence in the system. The existing remuneration system of providing same level of pay and allowances to all employees, regardless of individual performance, does not reward performers nor does it motivate the non-performer to improve his performance. The Commission has given due recognition to the performance management system instituted both at the agency level as well as individual level with performance-based incentives.
- iv. **Post-service benefits:** Since every pay revision is followed by rise in prices in the market and to minimize cost-push inflation, to provide additional future earnings, the possibilities of enhancing PF contribution from the Government has been considered. With the rise in the cost of living, it is found that there is less disposable income for savings. Understanding the current cost of living and considering the importance to ensure a decent living after retirement, it is important to augment the PF contribution from the Government, which will be an additional benefit at the time of separation from the service.
- v. **Indexation:** In order to protect real income of the public servants annually from inflation, there is a need to compensate the public servants on annual basis. The annual salary indexation is a more appropriate method than waiting for pay revisions with a change in Government.

- vi. **Fiscal sustainability:** Considering the direct and indirect, immediate and long-term implication of the pay revision from the macro level, the Commission underscored the importance of minimizing spiral impact on the private sector yet ensuring long term fiscal sustainability.

8.2 Approach to Pay Revision

8.2.1 Determination of Minimum Pay

The determination of minimum pay is the first step in the pay revision of public servants. This will ensure that the lowest ranked employee in the public service is paid adequately to meet the minimum expenditure while ensuring decent living for him/her and for the family. To cater to the worst-case scenario, it is assumed that there is only a single income earner in the household to support his/her family. The Commission tested different methods for determining minimum pay for Elementary Service Personnel (ESP), considering ESP as the lowest ranked employees in the public service.

i. Household expenditure approach

In order to measure the existing level of household expenditure, the Commission examined the mean monthly household expenditure from Bhutan Living Standard Survey (BLSS) 2017. The mean household expenditure of the lowest income or fifth quintile with 5.5 household members as per the BLSS 2017 is estimated at Nu.10,574 per month. After adjusting for rising cost of living due to the inflation of 2.7% in 2018 and expected inflation of 3.6% in the first six months of 2019, including house rent, the estimated mean household expenditure by July 2019 works out to Nu.11,246 per month. Excluding monthly rental expenses at 20% of the monthly household expenditure, as per the household expenditure data, the minimum monthly basic pay for ESP is estimated at Nu.9,040.

ii. Basic need-based Approach (Dr. Wallace Aykroyd method)

The 'Basic Need Based Approach' determines the cost of food items to meet minimum daily nutritional requirement and other non-food essential expenses to lead a decent living. In order to sustain a minimum nutritional requirement and for essential expenditure for a decent life style, a minimum pay for the ESP is estimated at Nu.8,650 per month.

iii. Constant Income Growth Approach

The 'Constant Income Growth Approach' is based on the principle that the real minimum pay must increase in tandem with the real per capita income. This approach considers the level of economic development

while determining pay for the public employee firstly to avoid negative economic impact of higher compensation level and at the same time to ensure that employees receive an equal share of the fruit of economic progress. Given that the per capita income growth since 2014 till 2018 stood at 21.9%, the existing pay of ESP at Nu.7,000 would then be enhanced to Nu.8,800 per month.

iv. National poverty threshold approach

Further to verify and to supplement the above methods, the national poverty threshold method is also applied for determination of the minimum pay. The national poverty threshold captures the cost of social inclusion and equality of opportunity for the workers. This method will ensure that every government servant is above the national poverty line (NPL) at any point of time, by fixing the minimum pay of the lowest ranked government servant at a certain percentage above NPL. The National Poverty Analysis Report 2017 states that, “Households (and their members) consuming (in real terms) less than the total poverty line, of Nu.2,196 per person per month are considered poor” or fall below poverty line. Considering mean national household size at 4.2 adjusting for the same level of inflation from 2017 to June 2019 at 6.4%, as per NPL method, the estimated minimum pay for ESP is Nu.8,975 per month.

v. Cost of Living Adjustment

Further, the existing consolidated pay of ESP, without annual increment and house rent allowance was fixed in July 2014. In view of the 21% increase in cost of living due to inflation since July 2014 and to ensure the same level of real purchasing power of his/her salary income, the minimum pay for ESP is estimated at Nu.8,470 per month. The result of the analysis is summarized in Table 4.

Table 4: Comparison of Minimum Pay Determination Methods

SI.No	Methods	Minimum Basic Pay for ESP (Nu.)
1	Household Expenditure Approach	9,040
2	Basic need-based approach (Dr. Wallace Aykroyd formula)	8,650
3	Constant Income Growth Approach	8,800
4	National poverty threshold approach	8,975
5	Cost of Living Adjustment	8,470

As per the above analysis, all methods worked out to similar levels of minimum pay for the ESP within the range of Nu.8,650 - Nu.9,040 per month. The household expenditure method is the most realistic and simple method which captures the living standard of the lowest income group, including all essential needs in addition to the household basic needs.

To this, the Commission adopted the Household Expenditure Method to determine the minimum basic pay of the ESP at Nu.9,000 per month.

8.2.2 New Pay Structure

Recognizing the importance of the pay structure, the Commission reviewed and rationalized pay-band across different position levels. It was observed that there was lack of consistency in the pay progression from one band to the other band and within the same pay band.

Accordingly, the Commission has rationalized the pay structure to maintain proportionate pay progression based on job responsibility and required qualification and skills. Further, the minimum pay that has been determined for the ESP as given in section 8.2.1 has been considered in rationalizing the pay structure.

8.2.3 Income Erosion due to Inflation

In order to determine the minimum level of pay revision, the Commission estimated income erosion due to inflation for the last five years (July 2014 to June 2019). As per the CPI report published by the NSB, the average inflation excluding housing for the last five years was recorded at 20.5%. Currently, there is an annual lump sum increment of 2% on the starting basic pay. After adjusting for the annual increment, the net income erosion in the basic pay is estimated at 10.9%. This indicates that the pay of public servants need to be revised by a minimum of 10.9% across the board just to compensate the past income erosion.

Table 5: Cost of living adjustment trend

Description	Financial Year					Total
	2014/15	2015/16	2016/17	2017/18	2018/19	
Overall CPI Inflation	6.6	3.3	4.3	3.6	3.1	21.0
CPI inflation (excl. housing inflation)	6.0	3.7	4.0	3.7	3.1	20.5
Annual salary increment	2.0	2.0	1.9	1.9	1.9	9.7
Income erosion (incl. housing inflation)	4.6	1.4	2.4	1.7	1.3	11.4
Income erosion (excl. housing inflation)	4.0	1.8	2.1	1.8	1.3	10.9

8.2.4 Performance Based Incentives

As a means to promote meritocracy and excellence at all levels of public service, the Commission recognizes the need to introduce performance-based incentives. Such an arrangement will provide a rational basis for rewarding the performers and also motivating the non-performers to improve their performance. Therefore, the Commission recommends introduction of performance-based incentive (PBI) of 10 % of the basic pay, of which 5% is allocated at agency level and 5% at individual level performances.

8.2.5 Additional Provident Fund Contribution

The existing level of salary is barely adequate to enable savings for the future. Furthermore, the rise in the price level of essential commodities and house rents as a result of pay revisions pushes the overall cost of living higher, thereby, impacting the living standard of public servants. In order to minimize this impact, and recognizing the importance of a decent living after retirement, the Commission recommends an additional increase in the Government's share of PF contribution by 7% to 18% (employee contribution remaining same at 11%), thereby increasing the total contribution to 29%. The 16% will continue to be accounted for Defined Benefit (Pension fund), the PF contribution will increase to 13% from the present 6% for existing PF members and 18% for the new members inducted (ESP and GSP). The increase in the PF will also help in retaining competent and qualified public servants by enhancing the post-retirement benefits.

8.2.6 Annual Salary Indexation

In order to avoid pay revision with every change in Government of five years, and to maintain real content of salary income, the Commission recommends for an annual salary indexation of 5% or inflation, whichever is lower. This approach will also serve to smoothen the consumption pattern of the public servants, thereby limiting abrupt inflationary pressure in the market.

9. Recommendations for Pay Revision

Based on the guiding principles of pay revision and considering the Government's commitment for narrowing the income gap, and in protecting the basic pay of public servants from income erosion over the last five years, the Commission recommends the pay revision as follows:

9.1 Elementary Support Personnel (ESP)

The public servants under ESP category are recruited with minimum skills in order to support functioning of the Government offices. Being the lowest level of public servants, ESP employees are paid a consolidated salary of Nu.7,000 per month without annual increment, provident fund and house rent allowance. Based on the guiding principles for determining minimum pay (household expenditure method), **the Commission recommends the revision of the consolidated pay of Nu.7,000 to a monthly salary of Nu.9,000, which is an increase of 29%. With this revision, the consolidated pay of ESP is converted to a monthly salary with annual increment and other allowances and benefits.**

Table 6: Recommended Pay Scale (Nu.) of ESP

Position Level	Existing Consolidated Pay	Recommended Pay Scale			% change
		Min.	Incr.	Max.	
ESP	7,000	9,000	180	11,700	29%

9.2 General Support Personnel (GSP)

Considering the minimum pay for the ESP, the Commission recommends revision of the salary of GSP II from Nu.7,695 to Nu.9,450, which is an increase of 23%. The Commission noted that the functions of GSP I and II are similar with same level of skill requirement. In order to rationalize the pay structure, the Commission recommends merger of GSP II & I into a single position.

Table 7: Recommended Pay Scale (Nu.) of GSP

Position Level	Existing Pay Scale			Recommended Pay Scale			% change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
GSP I	8,080	160	10,480	9,465	190	12,315	23%
GSP II	7,695	155	10,020				

9.3 Civil Servant

Based on the above guiding principles for determining minimum pay, the Commission fixed the entry pay of the lowest level of civil service (O4) at 14% above the ESP pay. The recommended revision in the pay scale of the civil servants ranges from 14% to 21% with higher revision at the lower position.

The new pay scale with the recommended revision is illustrated in the table below:

Table 8: Recommended Pay Scale (Nu.) of Civil Servants

Sl.No	Position Level	Existing Pay Scale			Recommended Pay Scale			% change from Existing
		Min.	Incr.	Max.	Min.	Incr.	Max.	
1	Cabinet Secretary	75,160	1,505	82,685	85,685	1,715	94,260	14%
2	Government Secretary	65,930	1,320	72,530	75,165	1,505	82,690	14%
3	EX/ES-1	54,575	1,090	70,925	62,765	1,260	81,665	15%
4	EX/ES-2	45,785	915	59,510	52,655	1,055	68,480	15%
5	EX/ES-3	38,700	775	50,325	44,505	895	57,930	15%
6	P1	30,990	620	40,290	35,950	720	46,750	16%
7	P2/SS1	27,370	545	35,545	31,750	635	41,275	16%
8	P3/SS2	23,995	480	31,195	27,835	560	36,235	16%
9	P4/SS3	21,370	425	27,745	24,790	500	32,290	16%
10	P5/SS4	17,495	350	22,745	20,295	410	26,445	16%
11	S1	16,365	325	21,240	19,315	390	25,165	18%
12	S2	14,830	295	19,255	17,500	350	22,750	18%
13	S3	13,550	270	17,600	15,990	320	20,790	18%
14	S4	12,025	240	15,625	14,190	285	18,465	18%
15	S5	11,125	225	14,500	13,130	265	17,105	18%
16	O1	10,725	215	13,950	12,980	260	16,880	21%
17	O2	10,075	200	13,075	12,195	245	15,870	21%
18	O3	9,155	185	11,930	11,080	225	14,455	21%
19	O4	8,505	170	11,055	10,295	210	13,445	21%

Compression Ratio:

The compression ratio, ratio of the highest civil service level (EX1/ES1) to the lowest level (O4) gives the idea of overall pay differential in the civil service. The compression ratio was 6.7 till 2006. The compression ratio improved to 6.4 with the July 2014 pay revision. The compression ratio with the recommended pay revision further improved to 6.1. This is an indication of narrowing the income gap which is in keeping with Government's commitments.

9.4 Other Public Servants

There is certain level of parity maintained in the pay structure between the public servants and the civil servants. In order to minimize distortion in the pay structure, the Commission has maintained the existing parity and recommended revision of pay by 14% in respect of the following public servants.

9.5 Cabinet Ministers and Other Equivalent Positions

The Commission reviewed the existing pay scale of the Cabinet Ministers and Other Equivalent Positions and recommends revision of 14% mainly to maintain parity and compensate for income erosion for the last five years. The other equivalent positions include the Speaker of the National Assembly, the Chief Justice of the Supreme Court, the Chairperson of the National Council, and the Opposition Leader. The existing and recommended pay scale is given in Table 9.

Table 9: Recommended Pay Scale (Nu.)

Position Level	Existing Pay Scale			Recommended Pay Scale			% change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Prime Minister	180,000	3,600	198,000	205,200	4,105	225,725	14%
Speaker of NA	130,000	2,600	143,000	148,200	2,965	163,025	14%
Chief Justice of SC	130,000	2,600	143,000	148,200	2,965	163,025	14%
Cabinet Ministers	130,000	2,600	143,000	148,200	2,965	163,025	14%
Chairperson of NC	130,000	2,600	143,000	148,200	2,965	163,025	14%
Opposition Leader	130,000	2,600	143,000	148,200	2,965	163,025	14%

9.6 Members of Parliament

The Hon'ble Speaker of the National Assembly has forwarded the proposal on revision of pay, allowances and benefits recommended for the Members of the Parliament by the National Committee on Parliamentary Entitlements.

The Commission reviewed the proposal and recommended the revision of pay, allowances and benefits with respect to the Members of Parliament. While the recommended revision of allowances is covered under the appropriate section of allowances, the Commission recommends the pay revision as follows:

The pay scale of the Deputy Speaker of NA and the Deputy Chairperson of NC is recommended to be revised by 14% from the existing pay scale, which is at par with the Cabinet Secretary in the civil service. Similarly, the pay of the Members of Parliament is also recommended to be revised by 14% at the level of the Government Secretary.

Table 10: Recommended Pay Scale (Nu.) of Members of Parliament

Position Level	Existing Pay Scale			Recommended Pay Scale			% change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Dy. Speaker/Chairperson	75,160	1,505	82,685	85,685	1,715	94,260	14%
Members	65,930	1,320	72,530	75,165	1,505	82,690	14%

9.7 Holders, Members/Commissioners of Constitutional Offices

The pay scale of the Chairperson of the ACC, the Chief Election Commissioner of ECB, the Auditor General of RAA, and the Chairperson of RCSC is recommended to be revised by 14%, which is equivalent to the Cabinet Secretary. Similarly, the Drangpons of Supreme Court's pay scale is also recommended to be revised by 14%. The pay scale of the Chief Justice of High Court, the Drangpons of High Court, and the Commissioners/Members of Constitutional Offices is also recommended to be revised by 14% maintaining the existing parity.

Table 11: Recommended Pay Scale (Nu.) for Holders, Members/Commissioners

Position Level	Existing Pay Scale			Recommended Pay Scale			% change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Heads of ACC/RAA/ECB/RCSC	75,160	1,505	82,685	85,685	1,715	94,260	14%
Drangpons of Supreme Court	75,160	1,505	90,210	85,685	1,715	102,835	14%
Chief Justice of High Court	69,225	1,385	83,075	78,920	1,580	94,720	14%
Drangpons of High Court	65,930	1,320	79,130	75,165	1,505	90,215	14%
Commissioners/Members	60,030	1,200	72,030	68,435	1,370	75,285	14%

9.8 Privy Council

The existing pay scale of the Chairman of the Privy Council is at par with the Cabinet Ministers and the Council Members are at par with the Members of the Constitutional Offices. The Commission recommends 14% revision in the pay scale.

Table 12: Recommended Pay Scale (Nu.) for the Privy Council

Position level	Existing Pay Scale			Recommended Pay Scale			% Change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Chairman	130,000	2,600	143,000	148,200	2,965	192,675	14%
Member	60,030	1,200	72,030	68,435	1,370	88,985	14%

9.9 Attorney General

The pay scale of the Attorney General is recommended to be revised by 14%, maintaining existing parity with the Drangpons of the Supreme Court.

Table 13: Recommended Pay Scale (Nu.) for the Attorney General

Position Level	Existing Pay Scale			Recommended Pay Scale			% Change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Attorney General	75,160	1,505	90,210	85,685	1,715	94,260	14%

9.10 Local Government

The pay scale of the Local Government functionaries was revised by 40% in 2017 except for Thrompons of the four Thromdes. The income erosion on account of inflation between 2017 and 2019 was minimal, as such the Commission did not find any rationale for recommending revision of the pay scale of the Local Government functionaries. However, the Commission noted that the pay scale of the Thrompon is mapped with EX2 in the civil service and not revised in 2017 along with the Local Government functionaries. Therefore, the Commission recommends revision of the pay of the Thrompons by 15% in order to maintain the existing parity.

Table 14: Recommended Pay Scale (Nu.) for Thrompon

Position Level	Existing Pay Scale			Recommended Pay Scale			% change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Thrompons	45,785	915	50,360	52,655	1,055	57,930	15%

9.11 Others

RAPA & Para Regular: The pay scale of RAPA and Para Regular is mapped with the equivalent positions in the civil service. The Commission recommends pay revision ranging from 16% to 21%.

NFE Instructor: The pay scale of NFE instructor is recommended to be revised from Nu.8,400 to Nu.10,270, which is an increase of 29%.

Geydrung: The pay scale of Geydrung is recommended to be revised from Nu.13,000 to Nu.15,340, which is an increase of 18%.

Table 15: Recommended Pay Scale (Nu.) for Others

Position level	Existing Pay Scale			Recommended Pay Scale			% change
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Para Regular	Mapped with civil service			Mapped with civil service			16-21%
RAPA Staff	Mapped with civil service			Mapped with civil service			18-21%
NFE Instructor		8,400		10,840	215	14,065	29%
Geydrung		13,000		15,340	305	19,915	18%

10. Annual Salary Indexation

The annual salary indexation method was common among developing countries in early 1970s to ensure real level of income in view of the rising consumer prices. The indexation is one of the methods to compensate partially or fully the rising cost of living on an annual basis, rather than waiting for spikes in every 4 or 5 years. In general, indexation rate is determined based on quarterly, bi-annually or annual consumer price level depending upon the frequency of salary increment provisioned.

In order to protect the real income of the public servants annually and to limit upward pressure on inflation due to increase in disposable income resulting from one-time revision, the Commission recommends indexation of annual salary to inflation.

In keeping with the state of economy and inflation level, the Commission recommends maximum indexation at 5% and minimum at 2%. For simplicity in the implementation of pay indexation, 2% of the starting pay shall be paid as lump sum annual increment given in the recommended pay scale (*Annexure 3*) and the balance indexation, if any, shall be determined on the respective basic pay on annual basis and provided as lump sum for COLA, which shall not be added to the basic pay. An illustration of the existing pay scale with a lump sum increment and new Pay Matrix with maximum 5% indexation is provided in *Annexure 3*.

The Ministry of Finance shall prescribe guidelines for the indexation.

11. Fortnightly Salary

The existing pay and allowances of the public servant is disbursed on a monthly basis. The Commission reviewed and deliberated on the possibilities of changing salary disbursement from monthly to fortnightly in order to generate more economic activities. In order to obtain broader feedbacks, the Commission also sought views from various agencies and Dzongkhag during consultations.

The Commission noted that all the remittances like PF, Pension, Life Annuities, Loan EMIs, and PIT are amortized on a monthly basis. The existing systems of the stakeholders such as NPPF, RICBL, Financial Institutions, Revenue and Customs are also designed to receive payment on a monthly basis. In general, public servants are in favour of monthly disbursement system which is easier to manage.

Thus, any change in the disbursement frequency of salary would require prior consultations with the stakeholders to modify the existing system. The Commission also deliberated on the possibility of paying 50% of take-home salary on fortnightly basis and all remittances at the end of the month. Since the major portion of net salary income is earmarked for house rent and utility payments, the net disposable income is minimal, which may not generate the desired economic activities/benefits. Moreover, the tendency to spend the cash in hand earlier, leading to insufficient cash at the end of the month to pay house rent and utilities cannot be ruled out.

In view of the above, the Commission recommends that the fortnightly salary disbursement not be adopted at this time.

12. Performance Based Incentives (PBI)

To promote meritocracy and excellence at all levels of public service, the Government initiated Performance Management System in 2014. The performance at agency level is evaluated using the Government Performance Management System (GPMS) and the individual performance through the Managing for Excellence (MaX) system. Under the present system, performing employees are entitled for meritorious promotions while non-performers are put under “Need Improvement” category for HR actions.

In view of the importance attached to GPMS and Max for strengthening performance of the public servants and to reward the performers, the Commission recognizes the need to introduce performance-based incentives (PBI). The rationale for instituting financial based incentives is to serve as a motivator factor for enhancing performance and maximizing productivity. Such an incentive will also promote efficiency and effectiveness in the public service delivery. In general, instituting PBI creates a win-win situation as the organizational targets set will be achieved and the employees will receive additional financial benefits.

Piecework is the oldest form of pay-for-performance where workers are paid for the number of finished products-workers produce during a defined pay period. Payment by results is another form of pay-for-performance scheme, where individuals or groups are paid financial incentives, which is also termed as organization-wide incentive system.

The Organization for Economic Co-operation and Development (OECD) countries follow performance-based incentives. South Korea uses Individual Performance Related Pay (IPRP), where financial incentives such as pay, raises or bonuses are awarded based on an employee’s performance against previously set objectives as reviewed using a formal performance management system. In Spain, each fiscal year the Ministry of Finance sets the productivity complement for each Government agency, and goals are established for the management centres. Departments are evaluated on a group basis, with only unit heads evaluated as individuals. As a result, Spanish social security system, which once took six months to claim, has been reduced to an average of seven days. In Uganda, institution of IPRP, as observed by the World Bank, has successfully converted an endemic corrupt civil service to an efficient and professional civil service. The OECD notes that performance-based incentives that are not part of actual salary structure can help reduce post retirement burden to the Government while containing inflation.

In India, few States like Tamil Nadu and Punjab also initiated the Performance Related Incentive Scheme, a monetary incentive over and above the normal salary based on performance in the civil service.

Therefore, to promote meritocracy and excellence and reduce cost of public service delivery, the Commission recommends introducing performance-based incentives linked to GPMS and Max.

In terms of performance management, Government agencies are categorized as follows:

- i. Agencies with Annual Performance Agreement (APA):
- ii. Agencies with Annual Performance Targets (APT) with Evaluation:
- iii. Agencies with Annual Performance Targets (APT) but without Evaluation:
- iv. Agencies without APA as well as APT.

For introducing the performance-based incentives, the Commission recommends an additional 10% of the annual pay, of which 5% shall be allocated for agency level performance based on APA and 5% for individual level performances based on IWP. The scores of APA/APT or an equivalent system shall be considered as the basis for the payment of agency-based incentive while the MaX scores or an equivalent system shall be used for the individual based incentive.

In Agency X with 48 employees, the total PBI allocation of 10% of total annual pay amounts to Nu.1,272.396 million, which is Nu.636.198 million each for agency and individual level performances.

At Agency level, if Agency X is rated in category I, the full 5% PBI or Nu.636.198 million will be provided to the Agency. If Agency X is rated in category II, only 4% or 80% of the total PBI for the Agency or Nu.514.777 will be provided to the Agency. If Agency X is rated in category III, only 3% or 60% of the total PBI for Agency or Nu.393.356 million will be provided to the Agency. If Agency X is rated in category IV, none of the employees will be provided PBI except the employees in Operation and ESP categories, as they are not subject to performance evaluation. Only Nu.0.029 million for the Operation and ESP categories will be provided to the Agency. The PBI will be distributed as per their position level.

At the individual level, if Agency X is rated in category I, as per Agency Categorization Framework or forced ranking of MaX 3% of the employees will be rated in Outstanding, 17% in Very Good, 80% in Good and 0% in Need Improvement. The PBI provided to the Agency accordingly will be Nu.462.324 million. If Agency is rated in category II, 2% of the employees will be rated in Outstanding, 16% in Very Good, 81% in Good and 1% in Need Improvement. The PBI provided to the Agency will be Nu.340.628 million. If Agency is rated in category III, 1% of the employees will be rated in Outstanding, 16% in Very Good, 82.5 in Good and 1.5%

in Need Improvement. The PBI provided to the agency will be Nu.205.772 million. If the Agency is rated in category IV, none of the employee will be rated in Outstanding, 14% in Very Good, 84% in Good and 2% in Need Improvement. The PBI provided to the Agency will be Nu.172.197 million.

While at the Agency level, the full 5% of the PBI will be provided to the Agency, at the Individual level due to forced ranking, only 3.7% of the earmarked 5% of the PBI will be provided to the Agency. Therefore, only 8.7% of the total 10% of the PBI will be utilized.

The current percentages used in the forced ranking are a constraining factor and Commission recommends broadening the percentages. Broadening the percentages could also encourage other agencies to adopt PBI. The simulation of the Agency X is provided as an illustration on determining the PBI.

Table 16: Illustration on PBI for Agency X (in Ngultrum)

Position Level	Staff Strength	Total Monthly Salary	Total Annual Salary	10% of the Total Annual Salary	5% for Department Performance	5% for Individual Performance
Executive	1	38,700	464,400	46,440	23,220	23,220
Specialist & Chiefs	4	139,110	1,669,320	166,932	83,466	83,466
Professional & Support	38	834,030	10,008,360	1,000,836	500,418	500,418
Operational	3	34,490	413,880	41,388	20,694	20,694
ESP/GSP	2	14,000	168,000	16,800	8,400	8,400
TOTAL	48	1,060,330	12,723,960	1,272,396	636,198	636,198

Table 17: Allocation and Expenditure of PBI as per GPMS and MaX (in Ngultrum)

GMPS Ranking	PBI Budget			PBI Expenditure		
	Department Level	Individual level	Total	Department Level	Individual level	Total
Category I (95.00-100): 5%	636,198	636,198	1,272,396	636,198	462,324	1,098,522
Category II (85.00-94.99):4%	636,198	636,198	1,272,396	514,777	340,628	855,405
Category III (70.00-84.99):3%	636,198	636,198	1,272,396	393,356	205,772	526,276
Category IV (<=69.99): 0%	636,198	636,198	1,272,396	29,094	172,197	201,291

For the successful implementation of the PBI, the Commission recommends the followings:

- i. Target setting has to be objective and quality of targets to be verified by the National Technical Committee (NTC) for ensuring alignment, credibility and integration with national priorities prior to signing/finalizing of the APA/APT.
- ii. The budget for PBI shall be provisioned with the Ministry of Finance under general reserve to be released upon completion of the performance evaluation process.
- iii. In the FY 2017-18, only 426 (3.3%) out of 12,683 civil servants (excluding teachers) were rated in outstanding category due to the forced performance ranking of MaX. Using 3.3% of the total civil servants of 29,000 under outstanding category, only 957 civil servants would be eligible for the 10% PBI and the remaining will receive prorated incentive. The Commission recommends strengthening the MaX system.
- iv. To be eligible for PBI, agencies shall follow either APA/APT with evaluation or an equivalent system.
- v. In addition, the Commission recommends assessing the agencies as per the number of corruption incidences, audit observations and cost efficiencies on the utilization of capital and current budgets during ratings for APA/APT.

In the first year, assuming PBI is implemented only in the civil service the estimated annual budget is Nu.762.841 million. The maximum expenditure for PBI will be Nu.656.043 million which is 86% of the total budget due to the performance ranking of MaX. With the gradual adoption of the PBI by other public servants (Judiciary, Holders and Members of Constitutional Offices, elected Members of the Parliament and Local Governments except Thrompons, and relevant Autonomous and delinked Agencies), the estimated cost would be Nu.877.956 million annually.

13. Post Service Benefits

Recognizing the importance of providing security after retirement and motivating the public servants, the Government provides post service benefits—in the form of Pension, Provident Fund and Gratuity. The objectives of the Government in designing the retirement schemes are as under:

- i. Make the public service attractive
- ii. Retain qualified, competent and efficient public servants
- iii. Look at civil service as a long-term career
- iv. Help establish a clean Government by curbing corruption and promoting professionalism
- v. Reward civil servants for their dedication and loyalty
- vi. Help civil servants retire with security and dignity

The existing retirement benefits of public servants are as follows:

- i. The employer and employee contribute 11% each amounting to 22%, of which 16% goes to Pension and 6% to Provident fund.
- ii. The monthly pension payout is linked to 40% of the final salary, subject to a minimum contribution of 10 years and maximum of 30 years. The maximum pension is capped at 40% of the salary of a Commission Secretary (EX1). The income from pension is subject to Personal Income Tax.
- iii. The PF which consists of 6% contribution along with accumulated interest is paid as lump sum at the time of retirement, which is tax exempt.
- iv. Gratuity is calculated as the last salary times the number of years served with a maximum ceiling of Nu.1,500,000.

13.1 Reforms in Defined Benefit (Pension) System

The Commission recommends the following reforms:

- i. The pension payout to be capped at 40% of the maximum pay scale of the Cabinet Secretary instead of EX1 pay scale. This would increase existing maximum pension ceiling from Nu.28,370 to Nu.37,704, which is an increase of 33%;
- ii. The minimum pension payout is linked to 40% of minimum pay scale of the lowest position in civil service (O4) at the time of benefit commencement, which amounts to Nu.4,118 on the

recommended pay revision. However, to qualify for the minimum pension, a member shall have to contribute for at least 20 years;

- iii. Similar to regular pension adjustments, maximum pension to be adjusted with annual inflation or 5% whichever is lower. Currently, no inflation adjustment is provided once pension benefit reaches to maximum ceiling;
- iv. The pension benefits shall be exempted from Personal Income Tax (PIT) as the pension schemes is structured to provide a minimal income for sustaining after retirement and to maintain fair treatment similar to Provident Fund benefit.

13.2 Enhancement of Provident Fund (PF) Scheme

The Commission reviewed the existing PF scheme and recommends the following:

- i. In order to ensure that members receive adequate retirement benefits, the Commission recommends enhancing the PF contribution of the Government by an additional 7%. With this additional contribution, the total contribution of the Government will be 18%, whereas the employee will continue to contribute 11%, taking the total contribution to 29%. The distribution of the contribution to Pension Fund and PF will be 16% and 13% respectively making the scheme fair and beneficial to the employees;
- ii. Based on the rationale of providing social security after retirement and under the principle of fairness and equity in the public service, the Commission recommends extending the Provident Fund scheme to the ESP and GSP employees. The employee shall contribute 11% of basic pay like civil servants and the employer shall contribute 18% and the whole contribution will be in the form of provident fund. The financial implication of PF for 5,361 ESP and GSP employees is estimated at around Nu.92.688 million per annum.

13.3 Gratuity

At present, public servants resigning from the service after 10 years are paid gratuity calculated on the last pay times the number of services with a maximum ceiling of Nu.1,500,000. The Commission recommends lifting the maximum ceiling of Nu.1,500,000 to encourage public servants to serve longer and to enhance their post-retirement benefits.

13.4 Group Insurance Scheme (GIS)

The Group Insurance Scheme is a low cost contributory and self-financing scheme giving twin benefits: (i) an insurance cover to help their families in the event of death or total disablement permanently while in service; and (ii) a lump sum payment of the accumulated savings with interest to the employee or to their families on cessation of employment on account of retirement, resignation, death or total disablement permanently. The existing grouping of members for subscription rate and insurance coverage is based on employees' position level. Since the insurance coverage was increased with increase in premium during the last revision in 2014, the Commission recommends maintaining the existing rate.

14. Allowances

With the implementation of a consolidated remuneration system from 1st March 1988, all additional allowances were abolished. However, in view of the importance attached to certain professions for public service delivery, allowances in addition to pay have been granted based on the following principles:

- i. **ARM:** Attract, Retain and to Motivate has been a challenge with public servants moving out for better opportunities.
- ii. **Risk:** Absence of full proof protection for health hazards and threats to life.
- iii. **Odd hour duty:** To compensate the hardships faced in carrying out the duties.
- iv. **Scarcity:** To retain the scarce knowledge and skills for national interest.

While the Commission has reviewed all the existing allowances, only some allowances have been recommended for revision as follows:

14.1 Red Kabney (Nyie-kel-ma) Allowance

The recipients of Red Kabney who are currently serving as a public servant are entitled to a monthly allowance of Nu.100 per month, which has been in place for over decades. In recognizing the noble services rendered by the Red Scarf recipients, the Commission recommends revising the allowance from Nu.100 per month to Nu.10,000 per month for all *Nyie-kel-mas*, serving and retired.

14.2 Professional Allowance

The professional allowance was introduced in 1996 mainly for attracting and retaining professionals in the Health, Education and Audit professions. With the importance attached to the oversight bodies, professional allowance was also introduced for ACC in 2010. Further, it was also extended to Airworthiness Officers (AO) and Flight Operation Officers (FOO), Department of Civil Aviation (DCA) and Internal Auditors in 2014.

The existing professional allowance for the Public Service were thoroughly reviewed and in the spirit of bringing uniformity and equality among the public servants, the Commission recommends revision and new allowances only in certain category of the general public service. In recognizing the crucial need of professionals in health and education, the Commission also recommends the revision/introduction of Teaching Allowance and Medical & Clinical Staff Allowances as follows:

14.2.1 Medical & Clinical Staff

The existing allowance for Medical & Clinical staff is recommended to be revised as lump sum on the new pay scale. In addition, the Commission recommends introduction of allowances for On-call duty allowances for doctors, night duty allowances for health professionals, and extension of risk allowance for critical care services as reflected in *Annexure 24*.

14.2.2 Radiation Allowance

The radiology technicians are provided radiation allowance of Nu.1,500 per month. Considering the increasing associated risks, the Commission recommends the revision by 50% to Nu.2,250 per month

14.2.3 Critical Care (ICU/OT/dialysis) Allowance

In view of the emerging challenges the health professionals have to face in providing critical care in the ICU, OT and Dialysis units, the Commission recommends introducing the Critical Care allowances at Nu.2,250 per month.

14.2.4 On-Call Allowance

In order to compensate doctors for additional work beyond their regular working hours, the Commission recommends introduction of On-Call allowances. The On-Call allowances shall be determined using the overtime calculation method with maximum of 3 hours per day during weekdays and 5 hours per during weekends and holidays. The payment of such allowances shall be eligible only after attending the on-call duty.

14.2.5 Night Duty Allowance

As working at night could lead to health issues such as insomnia, depression, and others, and to compensate for additional duty during odd hours the Commission recommends the introduction of Night Duty allowance for health professionals attending night duty for 12 hours as routine schedule requiring continuous patient care. Night duty allowance shall be Nu.500 per night.

Table 18: Recommended Allowance for Medical Professionals

Agency	Existing	Recommendation
Medical and Clinical Staff	Lump sum amount by position level	Revised lump sum amount by position level
Radiation	Nu. 1,500 per month	Nu.2,500 per month
Critical Care	Not applicable	Nu.2,500 per month
Doctors on Call	Not applicable	Payment per hour = Basic Pay/30 days/8 hrs subject to following conditions: <ul style="list-style-type: none"> • 3 hrs per day during working days • 5 hrs per day during weekends and holidays
Night Duty	Not applicable	Nu.500 per night.

14.2.6 Teachers

In order to attract qualified professionals in the teaching, the Commission recommends revising the teaching allowance to 20% of the recommended minimum pay scale in each position level irrespective of number of years served by the teacher. The teaching allowance shall be paid as lump sum as presented in the *Annexure 25*.

Similarly, to retain and motivate existing teachers, additional allowance is recommended based on proficiency once Bhutan Professional Standards for teachers (BPST) is adopted as follows: Proficient Teacher: 10%, Accomplished Teacher: 20% and Distinguished Teacher: 30%. The lump sum shall be determined at minimum pay scale of each position levels.

14.2.7 Professional Allowance for Aviation

The professional allowance for Airworthiness Officers (AO) and Flight Operation Officers (FOO) was introduced in 2014. In view of the shortage of professionals in the aviation sector, the Commission recommends continuation of professional allowance to licensed AO & FOO. Further, professional allowance is also recommended for licensed Inspectors under Air Navigation and Aerodrome Services.

Table 19: Recommended Allowances

Position	Number of Active Years of Service		
	6-10 years	11-15 years	Above 15 years
P1	7,750	10,845	13,945
P2	6,845	9,580	12,315
P3	6,000	8,400	10,800
P4	5,345	7,480	9,615
P5	4,375	6,125	7,875
S1	4,090	5,730	7,365

14.3 Special Responsibility Allowance (SRA)

Given the importance of their roles and responsibilities, and terms and conditions of the appointments, the Commission recommends lump sum Special Responsibility Allowance of Nu.12,800 per month in respect of heads of the Constitutional Offices of ACC, RAA, ECB, and RCSC. Similarly, monthly lump sum SRA of Nu.6,700 is recommended for the Commissioners or Members of the given Constitutional Offices (*Annexure 10*).

14.4 Bhutan Civil Service Examination (BCSE) Trainee Allowance

The RCSC, as per Section 47, Chapter V of the Civil Service Act 2010 recruits university graduates through competitive examinations conducted in accordance with the procedures laid down in the BCSR for initial appointments at Professional and Management positions. The selected graduates have to mandatorily undergo pre-service diploma course for a year before joining the civil service.

At present, the BCSE trainees are provided with Nu.1,500 as monthly stipend. In the past, the BCSE trainees were provided 50% of the salary of grade 10 as salary while on training. Since the BCSE trainees were paid salaries in the past, the Commission recommends Training allowance of Nu.5,000 per month.

14.5 House Rent Allowance

The house rent allowance has been reviewed considering the inflationary trend and to make housing affordable to all public servants. The Commission recommends lump sum house rent allowance at 20% of the recommended revised basic pay for public servants and 30% for term-based appointments and Members of Parliament. The Commission also recommends 20% of the recommended revised basic pay as lump sum house rent allowance for the ESP employees (*Annexure 6*).

Table 20: Recommended House Rent Allowance for Civil Servants & others

Sl.No	Position Level	Existing	Recommended (Nu.)	% change
1	Cabinet Secretary	15,030	25,710	71%
2	Government Secretary	13,185	22,550	71%
3	EX/ES-1	10,915	12,555	15%
4	EX/ES-2	9,155	10,535	15%
5	EX/ES-3	7,740	8,905	15%
6	P1	6,200	7,190	16%
7	P2/SS1	5,475	6,350	16%
8	P3/SS2	4,800	5,570	16%
9	P4/SS3	4,275	4,960	16%
10	P5/SS4	3,500	4,060	16%
11	S1	3,275	3,865	18%
12	S2	2,965	3,500	18%
13	S3	2,710	3,200	18%
14	S4	2,405	2,840	18%
15	S5	2,225	2,630	18%
16	O1	2,145	2,600	21%
17	O2	2,015	2,440	21%
18	O3	1,830	2,220	21%
19	O4	1,700	2,060	21%
1	GSP-I	1,615	1,890	17%
2	GSP-II	1,540	1,890	23%
3	ESP	NA	1,800	29%

14.6 Communication Allowance

Under communication allowance, the Government covers expenses for residence telephones (inclusive of mobile charges) and for purchase of mobile vouchers. The beneficiaries are Ministers, Holders, Members and Commissioners of Constitutional Offices, Government Secretaries, Heads of Departments, Dzongdags, Drangpons, Drongrabs, Dungpas, and Local Government functionaries.

In view of the huge responsibilities shouldered by the Holders/Members/Commissioners of the Constitutional Offices, the Government Secretaries, Attorney General and the members of the Privy Council, the Commission recommends communication allowance of Nu.2,000 per month. Similarly, the communication allowance for heads of Department/Autonomous Agencies is recommended to be revised to Nu.1,000 per month. However, the communication allowance for other public servants remains unchanged.

The Commission also recommends discontinuing one time mobile purchase allowance as the existing allowance will not be able to meet the cost of purchase of the mobile phone.

14.7 Driver Allowance

The existing driver allowance of Nu.6,000 per month for the Members of the Parliament is recommended to be revised to Nu.10,000 per month.

14.8 Fuel and Maintenance Allowance

The existing fuel and maintenance allowance of Nu.7,000 per month for the Members of the Parliament is recommended to be enhanced to Nu.10,000 per month.

14.9 Water and Electricity

The existing water and electricity expenses for Prime Minister, Cabinet Ministers and Equivalent positions are based on actuals. The Commission recommends extending this benefit to the Heads of the Constitutional Offices with a maximum ceiling of Nu.3,000 per month.

14.10 Difficulty Area Allowance

The Commission recommends maintaining the difficult area allowance at the existing rates to compensate and motivate civil servants posted to remote areas. However, as most places are connected with road accessibility, the Commission recommends MoF, MoHCA and RCSC to further review, update and notify the list of difficult areas.

14.11 Uniform Allowance

The Government provides either uniform or uniform allowances to those public servants who are required to wear uniform based on their profession. Currently, the Government provides uniform allowance only to

medical nurses at Nu.4,500 per annum. Thus, existing uniform allowance is recommended to be revised to Nu.5,200 per annum.

14.12 Domestic Help

Presently the Prime Minister, Cabinet Ministers and other equivalent positions, and Heads of the Constitutional Offices including Attorney General are entitled for domestic help. The Commission recommends the salary and benefits of the Domestic Help at par with ESP.

14.13 Leave Encashment (LE)

Since the leave encashment is linked to the basic pay, with the recommended revision, the leave encashment will increase accordingly.

14.14 Duty Free Membership

Besides Diplomats and Resident Foreign Nationals, senior RGoB officials are entitled for purchase of goods free of duty from Bhutan Duty Free Limited (BDFL) Corporation as per the Rules and Procedures Governing the Operation of Duty-Free Shops in Bhutan (1998). The Commission recommends continuation of the entitlement as per the rules prescribed by the Ministry of Finance and revision from time to time.

14.15 Regular Contract Allowance

In order to address immediate and urgent requirement for the human resource shortage in the civil service, contract employees are recruited and provided additional benefit of 30% of the basic pay as contract allowance. Therefore, the Commission recommends continuing contract allowance.

14.16 Travelling Allowance

Travelling Allowance is provided for in-country and ex-country travel to facilitate public servants to meet the expenses while on official travel. The officials are entitled to claim daily allowance (DA), daily subsistence allowance (DSA), mileage or transport. The Commission recommends that all travels, irrespective of funding, be scrutinized at the appropriate Government levels. The revision in travelling allowances for all public servants were reviewed comprehensively and rationalized wherever applicable and recommended as follows:

14.16.1 Daily Allowance for In-country Travel

For in-country travel, the officials are entitled to claim daily allowance (DA) and mileage or transport. While the revision of daily allowance is recommended, the budgetary agencies must make judicious utilization of the approved budget through rationalization of travel budget in order to minimize cost. In order to meet the increasing cost of food and lodging while on official tour, the Commission recommends revision of In-country DA as follows;

Table 21: Recommended DA rates

Sl. No.	Position level	Existing	Recommended DA Rates
1	Prime Minister, Cabinet Ministers and Equivalent Position	Actual	Actual
2	Holders & Commissioners/ Members of the Constitutional Offices, Member of Parliament, Government Secretaries, Attorney General, Members of Privy Council, Thrompons and EX/ES-1 to EX/ES-3	Actual lodging in one room (maximum ceiling Nu.3,000) plus Nu. 800 or lump sum DA of Nu. 1,500	Actual lodging in one room (maximum ceiling Nu.3,000) plus Nu. 1,000 or lump sum DA of Nu. 2,000
3	P 1 to P 5	Lump sum Nu.1,000	Lump sum Nu.1,500
4	S1 and below	Lumpsum Nu.750/Nu.500	Lump sum Nu.1,000

Further the Commission recommends revision of DA rates from 20% to 50% when both food and lodge is provided for all public servants across board.

The Commission also recommends increasing minimum travel distance from 10km to 20km radius for the purpose of TA/DA. For implementing the revised DA, the Commission recommends that in-country travel budget be capped to a maximum ceiling of 15 percent of pay and allowance budget excluding LTC.

14.16.2 In-country Training Daily Subsistence Allowance (DSA)

At present, a public servant undergoing training for a duration of 30 days or less are entitled to a DSA at the rate of Nu.1,000 per day with terms and conditions as per the BCSR. In view of the increasing cost of living and to encourage in-country short term training, the Commission recommends enhancing the DSA rate to Nu.2,000 per day.

14.16.3 Mileage

The public servants while traveling within the country are provided mileage or transportation. In 2014, the mileage rate was fixed at Nu.16 per km for EX/ES/P/SS level, Nu.6 per km for S level, and bus fare for O level.

It has been highlighted by the various reviews carried out by the Royal Audit Authority (RAA) on the inadequacies, inconsistencies and shortcomings in the in-country travels. The lack of prudent and inefficient controls by the controlling officer was also noted among the agencies; frequent travels by officials and other staff were not directly related to their job responsibilities. Thus, the Commission found it necessary to streamline the in-country travel.

Therefore, the existing mileage rate has been rationalized to Nu.10 per km for the public servants who are not eligible for designated vehicle and extended to S levels. However, where more than one official is traveling, the office shall arrange the transportation. The O level will continue at the existing level.

Further, since the guidelines for Gewog Utility Vehicles under II (d) states that “Based on the demand and as and when available, can be used for transporting agricultural produce to the farm shop on payment at existing Government mileage rate”, the rationalization of mileage rate will also benefit the communities using the Gewog utility vehicles.

14.16.4 Porter and Pony Charges

The public servants are entitled to porter and pony charges while on official tour in places where there is no motorable road. The existing rates are as follows:

- i. Riding pony Nu 300 + Nu 150 for syce=Nu 450 per dolam.
- ii. Porter Nu 150 per dolam;

The Commission reviewed the existing system and recommends doing away with the current practice in view of the consideration that there are very few areas that no longer enjoy road connectivity. It is recommended that the respective agencies arrange for transport of goods and services through proper procurement process whenever necessary.

14.16.5 TA/DA of Local Government Functionaries

The TA/DA while travelling outside Gewog/Thromde on motorable road is at par with the public servants. The Commission recommends rationalization and revision of TA/DA rates along with the revision for public servants. However, the TA on non-motorable route outside the Gewog and annual lump sum TA/DA while travelling within the Gewog is maintained at the existing level.

Table 22: Existing TA/DA rate of LG

Positions	Existing TA/DA, 2017			
	TA on non-motorable route outside the Gewog (Nu.)	TA outside Gewog/Thromde on motorable route traveling beyond 10 km (mileage) or Actual Bus Fare	Annual lump sum TA/DA for traveling within Gewog (both non-motorable & motorable road) (Nu.)	DA outside Gewog/Thromde (Nu. per day)
Thrompon	NA	Nu.16/km	NA	1,500
Gup	250	Nu.16/km	18,000	1,000
Mangmi	250	Nu.6/km	13,500	750
Dzongkhag Thromde Thuemi	NA	Nu.6/km	NA	750
Thromde Thuemi	NA	Nu.6/km	NA	500
Tshogpa	250	Nu.6/km	6,000	500

Table 23: Revised TA/DA rate of LG

Positions	Revised TA/DA,			
	TA on non-motorable route outside the Gewog (Nu.)	TA outside Gewog/Thromde on motorable route traveling beyond 20 km(mileage)	Annual lump sum TA/DA for traveling within Gewog (both non-motorable & motorable road) (Nu.)	DA outside Gewog/Thromde (Nu. per day)
Thrompon	NA	Nu.10/km	NA	2,000
Gup	250	Nu.10/km	18,000	1,500
Mangmi	250	Nu.10/km	13,500	1,000
Dzongkhag Thromde Thuemi	NA	Nu.10/km	NA	1,000
Thromde Thuemi	NA	Nu.10/km	NA	1,000
Tshogpa	250	Nu.10/km	6,000	1,000

14.17 Dzongkhag Mask & Folk Dancers Allowance

Presently, the amount provided to the Dzongkhag Mask & Folk Dancer is termed as monthly stipend which is not in keeping with the principle of stipend. Therefore, the Commission recommends converting the term monthly stipend to monthly allowance and enhancing monthly allowance and DA as tabled below:

Table 24: Recommended Allowances

Allowance	Existing	Recommendation
Monthly Allowance	Mask and Folk Dancers: Nu. 1,500	Mask and Folk Dancers: Nu. 2,500
	Dhodhams/Champones/Chamjubs/Tsipoens: Nu. 2,000	Dhodhams/Champones/Chamjubs/Tsipoens: Nu. 3,000
Daily Allowance	Mask and Folk Dancers: Nu. 300	Mask and Folk Dancers: Nu. 700
	Dhodhams/Champones/Chamjubs/Tsipoens: Nu. 500	Dhodhams/Champones/Chamjubs/Tsipoens: Nu. 1,000

14.18 Medal Grant

In view of the dedicated service rendered to the State, the Commission recommends introduction of one-time grant for the medal recipients as follows:

Table 25: Recommended Allowance for Medal Recipients

Category	Existing	Recommendation
National Order of Merit (NOM) Gold	Nil	Nu. 50,000 one time when granted
National Order of Merit (NOM) Silver	Nil	Nu. 30,000 one time when granted
National Order of Merit (NOM) Bronze	Nil	Nu. 20,000 one time when granted

14.19 Other Allowances maintain unchanged

Considering the principles and the rationale for recommending allowances, the Commission recommends the following allowances to be maintained at the existing level:

- i. Professional Allowance
 - a. Anti-Corruption Commission
 - b. Royal Audit Authority
 - c. Internal Auditor
- ii. Patang/Gentag Allowance
- iii. Discretionary Allowance

- iv. Leave Travel Concession (LTC)
- v. High Altitude Allowance
- vi. Cash Handling Allowance
- vii. Overtime Allowance
- viii. Vehicle purchase allowance (lump sum) for Member of Parliament
- ix. Local Government
 - a. Special Responsibilities
 - b. Sitting fees
- x. Carriage charges for Personal Effects during Transfer and Retirement
- xi. Ex-country Travel Daily Subsistence Allowance

15. Foreign Service Entitlements

The Foreign Service entitlements are provided to public servants who are posted outside Bhutan to meet the cost of living in their place of posting. The entitlements are denominated in US dollars for the Embassies/Missions except for New York, Geneva and Brussels where payments are in their respective local currencies. The public servants posted in New Delhi and Consulates are paid in local currencies as well as US dollars while the local recruits in these places are paid in local currency.

The Commission reviewed and rationalized the Foreign Service entitlements and recommended revisions to those allowances, which were not revised since 2002 while maintaining status quo on those that were revised in 2014. The Commission while rationalizing the entitlements reviewed the proposals of the Sub-Committee comprising of representatives from MFA, RCSC and MoF. While recommending the revision the Commission considered the rising cost of living and exchange rate fluctuations.

One of the key considerations of the Commission is to raise the profile of Royal Bhutan Embassy, New Delhi, so as to attract the best diplomats to serve in New Delhi, considering the extreme importance attached to Bhutan's relations with the Government of India. In addition, to create more job opportunities, the Commission also recommends replacing local recruits with Bhutanese. Further, the Embassies/Missions/Consulates shall continue maintaining compact and efficient public servants. The recommendations on Foreign Service Entitlements are as follows:

15.1 Foreign Allowance (FA) and Representational Grant (RG)

The Commission recommends the revision of foreign allowance and representational grant as follows:

Table 26: Recommended percentage change in FA & RG

Country	Foreign Allowance	Representational Grant
Geneva	No change	10%
Brussels	10%	10%
New York	19%	20%
Kuwait	30%	20%
Bangkok	40%	40%
Dhaka	40%	40%
Consulates	40%	40%
New Delhi	100%	100%

The Commission also recommends extending the RG to the Head and Deputy Head of LTO Kolkata at par with the Consulate Office in view of the importance attached to the LTO for promoting trade facilitation and liaison with counterparts in India.

15.2 Children Education Allowance (CEA)

The children education allowance is provided to cover the cost of education during the foreign posting. The Commission recommends revision of the CEA to compensate for rising cost of education in the respective country. However, the allowance would be provided only for those children studying in the country of posting and shall not be eligible if the enrollment is outside the country of posting. The CEA shall be covered for a maximum of 3 children.

Table 27: Recommended Revision in CEA per month

Country	Geneva	Brussels	New York	Kuwait	Bangkok	South Asia
Existing Allowance (per child)	CHF 198	EUR 125	USD 75	USD 120	USD 120	USD 75
Revised Allowance (per child)	CHF 490	EUR 410	USD 250	USD 450	USD 450	USD 250

15.3 Rental Ceiling

The rental ceiling is recommended to be revised by 10% for Embassies/Missions/Consulates in all locations except for the Royal Bhutan Embassy, Dhaka where it shall be increased by 47%. The recommended revision is to compensate for increasing housing cost over the years. These recommendations are subject to the following conditions:

- i. The rental ceiling provided is for one flat/apartment and an official cannot occupy more than one flat/apartment.
- ii. The revision of rental rates shall be based on the Tenancy Act of the respective country and the lease agreement.

The Commission also recommends buying residential properties for the Embassies/Missions/Consulates in terms of saving cost in the long run.

15.4 Overtime Allowance

The local recruits in the Embassies/Missions/Consulates are entitled to overtime allowance. This allowance is maintained at status quo for all locations except for Bangkok which is revised, based on the emerging challenges faced. The rates are as tabled below:

Table 28: Existing Overtime Rates

Missions	New York	Brussels	Geneva	Kuwait	Bangkok	Dhaka	New Delhi	Kolkata/ Guwahati
Existing rate/hour (2002)	USD 10	EUR 6.6	CHF 10	USD 5	Baht 65 (300 hrs /month)	At RGoB rate		
Revised rate/hour	USD 10	EUR 6.6	CHF 10	USD 5	Baht 100 (300 hrs /month)	At RGoB rate		

15.5 Local Recruits

The Commission recommends 20% revision of local recruit's pay scales in Bangkok and 10% in others to compensate for increase in living cost. The local recruit's salary scale in Delhi and Kolkata is recommended to continue at the RGoB pay scale. The recommended revision of pay scale for the local recruits employed in the Embassies/Missions/Consulates is provided in *Annexure 17*.

15.6 Replacement of Local Recruits

To create employment opportunities for Bhutanese nationals, the Commission recommends replacing locally recruited staff in the Embassies/Missions/Consulates by Bhutanese in a phased manner.

The existing remuneration package for the local staff is comparatively higher than the equivalent position in the public service. The replacement of local recruits will be cost effective and create employment opportunities for the Bhutanese. The additional social and economic benefit of employing Bhutanese is also the repatriation of savings back to the country. The Commission recommends the Ministry of Foreign Affairs to start replacement of the local recruits with the Bhutanese as and when the existing contract expires.

15.7 Other Foreign Services Allowance maintained unchanged

The Commission recommends the following Foreign Service allowances to be maintained at the existing level:

- i. Mileage
- ii. Overtime Allowance
- iii. Medical Coverage and Insurance
- iv. Lump sum allowance for Carriage of Personal Effects
- v. Leave Travel Passage from and to headquarter
- vi. Furnishing Grant
- vii. Domestic Help
- viii. Utility Expenses

The Commission recommends that, in the event, the Head of the Embassies/Missions/Consulates is appointed from outside the civil service/public service, the pay, allowances and benefits are to be mapped at the appropriate executive level by the Government, based on qualification and experience.

16. Designated Duty Vehicle

Currently, the Prime Minister, Cabinet Ministers and Equivalent Positions, Holders, Commissioners and Members of Constitutional Offices, Government Secretaries, Commission Secretaries, Dzongdags, and Drangpons are entitled for a designated vehicle. While the Heads of Departments/Autonomous agencies have been using the pool vehicle as designated vehicle, it is not in keeping with the existing designated vehicles allotment rules and regulations. However, based on their roles and responsibilities as Head of the Departments/Autonomous Agencies and its significance, similar entitlement is considered important and necessary. Therefore, the Commission recommends allotment of a designated vehicle to all Heads of the Departments/Autonomous Agencies.

A detailed list of recommended positions along with the specification of designated vehicle for standardization is tabled below:

Table 29: Designated Duty Vehicle Entitlement

Sl. No	Officials entitled for designated vehicles.	No. of Position	Recommended CC
1	Hon'ble Prime Minister	1	SUV with FWD 3000cc and above
2	Cabinet Minister and Equivalent Position Holders	14	SUV with FWD up to 3000 CC
3	Heads of Constitutional Offices, Chairperson of Privy Council and Attorney General	6	SUV with FWD upto 2800 cc
4	Justices of Supreme Court & Chief Justice of High Court	5	SUV with FWD upto 2800 cc
5	Cabinet Secretary and Government Secretaries	11	SUV with FWD upto 2800 cc
6	Judges of High Court, Members & Commissioner of Constitutional Bodies and Privy Council	19	SUV with FWD upto 2500 cc
7	Secretary Generals of NA& NC; Commission Secretaries (GNHC, NEC, DDC, Dratshang Lhengtshog & NLC); Secretary International Boundary; President JDWNRH & CBS	10	SUV with FWD upto 2500 cc
8	Dzongdag	20	SUV with FWD upto 2500 cc
9	Director/Director Generals (Ministries/Depts/Autonomous Agencies/Constitutional Offices); Thrompons	99	SUV with FWD upto 2500 cc
10	Registrar General of Supreme Court & High Court; Drangpon (Dzongkhag Court)	29	SUV with FWD upto 2500 cc
11	Vice Chancellor, President of KGUMSB and Dean of JSWLS	3	SUV with FWD upto 2500 cc
	Total	217	

The Commission recommends that the Government determine the type and make of the vehicle for standardization.

17. Vehicle Import Quota

The system of providing foreign vehicle quota was introduced in the 1980s, at a time when public transport, buses and taxis were almost non-existent. The main objective was to facilitate the import of foreign vehicles for public servants and to minimize the pressure on limited number of Government pool vehicles. It was also aimed at easing the mobility of the public servants while conducting their official duty and to standardize the import of foreign vehicles into the country.

The civil servants and public servants in P3 level and above are entitled for a vehicle quota, free of customs duty and sales tax exempted up to a ceiling of Nu.0.800 million after every 7 years of import. While the Cabinet Ministers and the Members of the Parliament are entitled for a one-time free of customs duty & sales tax exempted up to a ceiling of 3,000 cc per term.

It has been observed that most of the vehicle quotas are sold in the market even though it is not permitted as per the existing vehicle quota rules 2014. The main reasons for the sale of the vehicle quota are that either he/she has purchased vehicle prior to issue of the vehicle quota or the lack of finance for purchase of vehicle by himself. The sale of vehicle quota has double impact; firstly, the quota seller buys a cheaper vehicle with the proceeds from the sale and secondly, the quota buyer imports a higher capacity vehicle from COTI. As a result, a single quota leads to import of two vehicles, which has corresponding increase in import of fuel and spare parts as well as additional environmental impacts. There is further impact on the country's limited foreign exchange reserves while also contributing to the pressure on road infrastructure and associated traffic issues due to the increasing number of vehicles.

However, in spite of these consequences, it may not be practical or possible to doing away with the vehicle import quota altogether. The roles and responsibilities of public servants in certain categories necessitate the entitlement of the vehicle import quota while in service and even upon retirement.

Revenue Implication of Vehicle Import Quota

Based on the prevailing tax rates and the number of vehicle quotas issued, the revenue foregone from import of vehicles on quota has been analyzed. For instance, 1,724 vehicle quotas were issued in 2018 and imported from India, for which the minimum revenue foregone is estimated at Nu.620.6 million. If vehicles are imported from COTI, the revenue foregone will be approximately two times higher on account of

customs duty. In addition, the import of vehicles has resulted in depletion of foreign reserves and this impact would be much higher if accounted for import of fuel, accessories, and spare parts.

Table 30: Revenue Implication of Vehicle Import Quota

Description	2014	2015	2016	2017	2018
Number of Quota issued	1249	1657	1291	1270	1724
Tax exemption ceiling (in. million Nu.)	0.800	0.800	0.800	0.800	0.800
Minimum tax on vehicle import from COTI (CD + ST)	90%	90%	90%	90%	90%
Minimum tax on vehicle import from India (ST)	45%	45%	45%	45%	45%
Minimum tax revenue foregone per vehicle if imported from:					
COTI (in. million Nu.)	0.720	0.720	0.720	0.720	0.720
India (in. million Nu.)	0.360	0.360	0.360	0.360	0.360
Minimum tax revenue foregone from quota if import from (assuming all issued quota are imported):					
COTI (in. million Nu.)	899.3	1,193.0	929.5	914.4	1,241.3
India ((in. million Nu.)	449.6	596.5	464.8	457.2	620.6
Minimum depletion in Forex reserves if imported from:					
COTI (in. million USD)	31	39	29	29	37
India (in. million INR)	1,874	2,486	1,937	1,905	2,586

Monetization of Vehicle Import Quota

The Commission, in view of the huge revenue implication to the Government without corresponding benefit to the public servants, deems it prudent to provide monetary compensation in lieu of the vehicle import quota. The monetization will contribute towards reducing vehicle import, ease traffic congestion, and promote use of public transport besides minimizing tax leakages. This will also ease the difficulties in implementing the vehicle import quota rules.

Savings from Monetization of Vehicle Import Quota

With the monetization of vehicle quota at Nu.0.250 million per vehicle import quota, the total financial implication for 1,724 vehicle quota is estimated at Nu.431.0 million. However, assuming that 70% of the 1,724 is imported, tax collected at minimum rate is estimated at Nu.521.0 million, which fully covers the

vehicle quota monetization cost. The minimum net gain per vehicle quota is Nu.0.110 million, equivalent to Nu.189.6 million from 1,724 vehicle quotas.

Table 31: Net Savings with monetization

Assuming monetary benefits provided per quota at 69% of tax revenue foregone on vehicle import from India (in. Nu. in millions)	0.250
Total financial implication for 1,724 vehicle quotas (Nu. in millions)	431
Assuming tax revenue from vehicle import without quota from India for 1,207 vehicles, 70% of quota issued (Nu. in millions)	521
Total savings from 1,724 vehicles @ Nu.110,00 per vehicle (Nu. in millions)	189.6

Therefore, the Commission after considering the importance and necessities of some position levels of public servants and based on impacts and consequences of the vehicle import quota, recommends as follows:

17.1 Prime Minister, Cabinet Ministers and Other Equivalent Positions

The Prime Minister, Cabinet Ministers and Other Equivalent Positions are entitled for one-time vehicle quota free of customs duty & sales tax exempted up to 3,000 cc at the end of the term. The Commission recommends monetizing the existing vehicle import quota with an option of Nu.1.500 million.

17.2 Members of Parliament

The Members of Parliament are entitled for one-time vehicle quota free of customs duty & sales tax exempted up to 3,000 cc during the term. The Commission recommends replacing the existing vehicle import quota with an option of Nu.1.500 million.

17.3 Term-based Appointments

The appointments by His Majesty the Druk Gyalpo as per Section 19, Article 2 of the Constitution of the Kingdom of Bhutan which is term based as per the relevant laws are as follows:

- i. The Holders/Members/Commissioners of the Constitutional Offices
- ii. The Cabinet and Government Secretaries
- iii. The Attorney General of OAG
- iv. The Governor of Central Bank

At present, the above position holders are entitled for a vehicle import quota with an exemption ceiling of Nu.0.800 million. Given the significance of their roles and responsibilities and the profiles of their appointments, they are provided with a designated vehicle. In recognition of the importance of the term-based appointments and to maintain parity with similar positions in the public service, the Commission recommends one-time vehicle quota free of customs duty and sales tax up to 3,000 cc or an option of Nu.1.500 million upon completion of the term. The list of term-based public servants is given in the table below:

Table 32: Vehicle Quota for Term Based Public Servants

SI No	Position Title	Strength	Term Period (Years)
1	Chief Justice of Supreme Court	1	5
2	Holders, Members/Commissioners of Constitutional Offices	12	5
3	Justices of Supreme Court	4	10
4	Chief Justice & Drangpons of High Court	9	10
5	Attorney General	1	5
6	Cabinet Secretary and Government Secretaries	11	5
7	RMA Governor	1	5
Total strength		39	

The Commission recommends the following terms and conditions if the public servants opt for the entitled one-time vehicle quota free of customs duty & sales tax exempted up to 3,000 cc or Nu.1.50 million and also for public servants entitled for monetized amount of Nu 0.250 million.

- i. The quota shall not be transferred/sold under any circumstances and in case it is transferred/sold, the quota holder shall be liable to pay twice the applicable taxes on the original CIF value of the vehicle.
- ii. In case of termination/resignation, the applicable amount of tax shall be calculated on the original CIF value of the vehicle and shall be recovered on pro-rata basis.
- iii. In case the above public servants are elected/appointed or transferred in between the term, they shall be entitled for a full one-time vehicle quota free of customs duty & sales tax or Nu.1.500 million.
- iv. The entitlement of the vehicle import quota for Cabinet Ministers and Other Equivalent positions and Term Based Appointments upon death shall be the monetized amount on pro rata basis.

- v. For civil servants and other public servants eligible for the monetized amount of Nu.0.250 million, upon death shall be paid the full amount to the next of the kin.
- vi. The Ministry of Finance in coordination with relevant agencies should be responsible for strict enforcement.

17.4 Civil Servants and Other Public Servants

The Commission recommends the monetary compensation in lieu of the vehicle import quota for civil servants of P3 and above and other public servants of equivalent positions and above at Nu.0.250 million.

17.5 Thrompon and Gup

At present, the Thrompons and Gups are not entitled for the vehicle import quota. However, with the increasing roles and responsibilities of the local leaders with enhanced decentralization, the Commission recommends extending the vehicle import quota up to tax exemptions ceiling at Nu.0.800 million or same level of monetary compensation. The Thrompon shall be eligible upon completion of the term as they are provided designated vehicle during the tenure and the Gup shall be eligible during the term. The relevant terms and conditions of the vehicle import quota shall also be applicable.

18. Regularization of Contract Employees

The contract employees are mainly recruited to meet immediate and urgent need of manpower in the public service. Currently, there are four categories of contract appointment based on need, expertise, required duration of project/work, availability of human resources in the market and time bound projects/works. The contract appointments have been increasing rapidly in the recent years as given in the table below.

Table 33: Strength of Existing Contract Employees

Type of contract	EX/ES	P1-P5	SS1-S5	O1-O4	Total
Consolidated	3	453	931	679	2,064
Regular	6	735	201	44	986
Special	2	10	20	3	37
Total	11	1,198	1,152	726	3,087

The contract employees are eligible for pay, allowances and benefits as follows:

- i. Consolidated Contract: The employees recruited under this contract are paid lump sum amount as salary, house rent, and repatriation benefits pegged to civil servant position levels and not eligible for annual increment, contract allowance, PF and Pension.
- ii. Regular Contract: The employees recruited under this contract are eligible for pay, house rent, and repatriation benefits pegged to civil servant position levels, and an additional 30% contract allowance except but not PF and Pension benefits.
- iii. Special Contract: The employees recruited under this contract are approved by the *Lhengye Zhungtshog* and are paid a lump sum salary, house rent, and repatriation benefits pegged to civil servants position levels and but are not eligible for annual increment, contract allowance, PF and Pension.

The regular contract employees recruited at the existing pay scale mapped to civil servants position levels of S1 and below and not by position titles are eligible to be regularized. In regularizing these regular contract employees, there is a minimum benefit of Nu.3.2 million annually.

The employees recruited under consolidated and special contract mapped to S1 and below positions in the civil service are eligible for regularization subject to approved strength. There is higher cost implication if

their appointments are regularized. However, the contract employees recruited at P5 and above position levels are not eligible for regularization as per the Civil Service Act 2010 (Section 47, Chapter V).

As the contract employees are recruited for time bound projects and meeting short-term HR requirements, regularization of contract employees is not recommended. This is also in keeping with the recommendation to maintain civil service growth at replacement level or population growth which is about 1.3%.

19. Provision for Monetization of Laptops

Provision of office equipment is essential for effective functioning of the Public Servants. Accordingly, a laptop or a desktop computer is provided when a public servant joins office at least at a professional level. In view of the large number of laptops/desktops procured by various office, the ceiling for purchase of laptops with standard specifications has been set at Nu.40,000. Agencies have been authorized to procure laptops with high specification for specialized functions. The Commission reviewed the proposal for monetization of laptop, through consultation with various stakeholders and experts on its benefits. While monetization would reduce administration burden and ease procurement process, it could lead to import of inferior quality that may not match with the specification of individual office software and compromise the effective functioning of public servants. **Therefore, the Commission recommends the Government to procure standard laptops and allot to the employees on the following terms and conditions:**

- i. Standardize laptops based on Agency's system/software requirement;
- ii. Allot the laptops to the public servants for a period of 5 years and recorded in the service book and updated in the inventory;
- iii. The office shall be responsible for all security features and access to the systems till the employee leaves the agency;
- iv. The laptop shall be replaced after five years;
- v. The employee shall be personally liable for any loss/theft/damages/maintenance and shall retain the laptop after 5 years.

20. Royal Bhutan Police (RBP)

The RBP is primarily responsible for maintaining law and order and prevention of crime. The revision of RBP's pay, allowances, benefits and other emoluments has been carried out along with that of the RBA and the RBG. Since the RBP is placed under the Ministry of Home & Cultural Affairs, the revision of pay, allowances, benefits and other emoluments come under the purview of the Pay Commission.

However, RBP is also considered an important part of the nation's security force and therefore, the Commission recommends that, the revision of pay, allowances, benefits and other emoluments of RBP be revised by the Government at par with the RBG and RBA to maintain parity amongst the nation's security forces.

21. First Home Loan Scheme

Having a “roof over the head” or a decent housing is a basic need of every human being, so is the need of all Bhutanese citizens, especially the civil servants who may be considered as the first group of migrants from rural villages to the growing urban area. His Majesty the King has also emphasized home ownership as the basic characteristics of a flourishing democracy and progressive economy, as can be read hereunder:

“In order for democracy to flourish and take unshakable root in our landlocked nation, my hope is that every single citizen will have the opportunity to own a home of his or her own, and become an equal partner in, and beneficiary of, the nation’s progress and growth”

Housing shortage and affordability is becoming a critical issue in the country’s urban areas, particularly in Thimphu and Phuntsholing. Due to rapid economic development, more and more people migrate to urban areas in search of better economic opportunities, thereby putting pressure on the supporting infrastructures such as housing. Under the National Housing Policy 2002, the National Housing Development Corporation Limited (NHDCL) has been mandated with the responsibility of developing appropriate system of allocation of affordable accommodation to the civil servants and also to review the system of rent determination. As of now, there are only 2,073 Government housing units with NHDC as against 29,543 civil servants across the country. Lump sum house rent allowance of 20% of the basic salary was introduced for the civil servants in 2014 (some sections receive up to 30%). However, this is not adequate to cover the house rent expenses of private flats. As per the BLSS 2017, house rent comprises large share of monthly house hold expenditure, especially in the urban areas. The Population and Housing Census of Bhutan (PHCB) 2017 also revealed that almost 38% of Bhutanese population is living in urban areas and the pace of migration is also alarming.

Considering the growing criticality of the housing need and widening gap, MOWHS is in the process of revising the National Housing Policy (2019) to address the existing policy deficiency and clarifying the institutional framework for housing development. Similarly, NHDCL is also working on its strategy to improve public housing capacity and NLC is now looking at zoning the land in the Dzongkhags for housing development. The RMA is also in the process of setting up a dedicated housing finance institution (NBF) in consultation with ADB and MoF. Therefore, there are initiatives underway in organizing the housing industry.

As affordability of owning a home will continue to be the main factor in public housing, as a policy matter, the Commission recommends (2nd Pay Commission in 2014 also proposed similar recommendations) that the Government introduce a “First Home Loan Scheme” - to acquire or build one’s first home with support from the Government on land lease, access to basic building materials like timber and sand at concessional rate, and subsidized interest rates and long term housing finance from a dedicated housing finance institutions set up by the Government. This new scheme will drive other coordinating factors in creating a vibrant public housing scheme, like in Singapore, where over 90% of the population owns personal homes, which also promotes the public-private-partnership (PPP) in general the overall housing market.

22. Financial Implication

22.1 Annual Implication

The net annual financial implication of the recommended revision of pay, allowances and benefits is estimated at Nu.4.238 billion. The total financial implication is an increase of 30% from the existing pay and allowances expenditure. With the recommended revision, the total pay and allowance expenditure will be Nu.18.285 billion as compared to Nu.14.047 billion in FY 2018-19. The major implication from revision is on account of pay, house rent allowance, professional allowance, introduction of PBI and additional PF, and monetization of vehicle import quota as presented in Table 34. The detail expenditure of pay and allowances is given in *Annexure 29*.

Table 34: Financial Implication with Recommended Revision (Nu.in Million)

Sl. No	Description	Existing	Recommendation (Nu.)	Net Implication	% Share	% Change
I	Pay	7,552	8,814	1,262	30%	16.7%
II	Housing Allowance	1,399	1,724	325	8%	23.2%
III	Provident fund	820	987	166	4%	20.3%
IV	Professional Allowance	777	1,083	306	7%	39.4%
i	Education	274	400	127	3%	46.3%
ii	Health	159	272	113	3%	70.8%
V	Other Allowances	232	733	500	12%	215.5%
i	Vehicle quota monetization	-	483	483	11%	100%
VI	PBI	-	881	881	21%	100%
VII	Additional PF	-	576	576	14%	100%
VIII	TA/DA	1,614	1,614	-	-	0%
IX	LTC	486	512	26	1%	5.4%
X	Leave Encashment	629	734	105	2%	16.7%
XI	Gratuity	537	627	90	2%	16.7%
XII	Total Expenditure	14,047	18,285	4,238	100%	30%

22.2 Financing Salary Revision

The additional expenditure for the recommended revision is Nu.17.913 billion for the remaining four fiscal years of the 12th FYP. In anticipation of the revision of pay and allowances of the public servants, a provision of Nu.20.489 billion was included in the 12th Plan Outlay of Nu.310 billion, which is adequate to

finance the recommended revision within the fiscal space without any impact on fiscal targets set for the 12th FYP.

However, the Commission also reviewed and explored potential new sources of revenue to finance the pay revision. The major sources of additional revenue is expected from the modernization of sales tax into smart GST, additional PIT collection from salary revision, taxes from monetization of vehicle import quota, and other fiscal measures. From these sources, additional revenue of Nu.10.984 billion is expected to be generated in the next four fiscal years. The Commission also noted that MHP is ready for commissioning with annual estimated revenue of Nu.3.863 billion excluding the surplus transfer in the first year, which will meet the balance financing need of Nu.6.928 billion for the pay revision.

The sources and financing of the recommended revision of pay and allowances is presented below:

Table 35: Financing Pay and Allowance Revision (Nu.in million)

Sl.No	Description	2019/20	2020/21	2021/22	2022/23	Total
A	Additional Pay and Allowances Expenditure	4,238.3	4,393.0	4,555.4	4,725.9	17,912.5
B	Additional Sources of Revenue	1,672.9	1,647.7	3,844.2	3,819.6	10,984.4
1	<i>PIT from salary revision (TDS)</i>	146.3	153.6	161.3	169.3	630.4
2	<i>Vehicle tax (Monetization)</i>	651.7	619.1	586.5	553.9	2,411.2
3	<i>Fiscal Measures</i>	875.0	875.0	3,096.4	3,096.4	7,942.8
<i>i</i>	<i>Green Tax on Fuel</i>	450.0	450.0	450.0	450.0	1,800.0
<i>ii</i>	<i>GST implementation</i>			2,221.4	2,221.4	4,442.8
<i>iii</i>	<i>SDF from Regional Tourists</i>	425.0	425.0	425.0	425.0	1,700.0
C	Balance Expenditure (A-B)	2,565.3	2,745.3	711.2	906.3	6,928.1
D	MHP Revenue	8,036.7	3,902.0	3,861.5	3,825.2	19,625.5
E	Current Surplus (SR)	5,471.4	1,156.7	3,150.3	2,919.0	12,697.4

In addition, Government has also embarked on promoting financial thrift with the institution of Finance Committee at the Agency level to ensure optimal utilization of the limited resources. The Commission has also recommended rationalizing the mileage and minimum travel distance for purpose of TA/DA besides

doing away with the mobile purchase allowance. These initiatives and recommendations are expected to generate some savings.

22.3 Fiscal Projections

As per the 12th FYP fiscal projection, the estimated domestic resources is Nu.217.728 billion which includes the additional revenue from the commissioning of MHP whereas the current expenditure projection including the provision for salary revision is Nu.193.895 billion. The projected average fiscal deficit for the Plan is 2.4% of GDP.

With the recommended revision in pay and allowances, the current expenditure for the 12th FYP period has been projected at Nu.191.318 billion, which is about 1.3% lower than the original figure of Nu.193.895 billion. The domestic resource is also projected to increase to Nu.228.713 billion with the inclusion of identified potential sources of revenue. This is projected to improve the average fiscal deficit to 1.3% of GDP. The coverage of current expenditure by domestic revenue is projected at 119% on average and the current surplus will be able to finance 34% of the capital budget.

Table 36: Revised Fiscal Projections (Nu. in Million)

Description	2018/19	2019/20	2020/21	2021/22	2022/23	12th FYP
	Budget	Projection				
Revenue & Grants	38,298.7	62,071	62,952	64,963	63,470	291,757
Domestic Revenue(DR)	33,944	47,423	44,857	49,963	52,526	228,713
Tax	25,037	27,988	31,892	36,886	39,198	161,001
Non-tax	8,907	19,436	12,965	13,077	13,327	67,711
Grants	4,355	14,648	18,096	15,001	10,945	63,044
Outlay	39,620	65,475	68,266	67,344	66,733	307,439
Total Expenditure	39,620	65,475	68,266	67,344	66,733	307,439
Current	28,848	38,764	40,390	40,616	42,700	191,318
Capital	10,772	26,711	27,876	26,728	24,033	116,121
Fiscal Balance	(1,321)	(3,404)	(5,313)	(2,380)	(3,262)	(15,681)
	In percent of GDP					
Revenue & Grants	19.7	28.9	26.6	24.9	22.0	24.4
Domestic Revenue	17.5	22.1	18.9	19.2	18.2	19.2
Grants	2.2	6.8	7.6	5.8	3.8	5.2
Outlay	20.4	30.5	28.8	25.9	23.1	25.7
Total Expenditure	20.4	30.5	28.8	25.9	23.1	25.7
Current	14.8	18.1	17.0	15.6	14.8	16.1
Capital	5.5	12.4	11.8	10.3	8.3	9.7
Fiscal Balance	(0.7)	(1.6)	(2.2)	(0.9)	(1.1)	(1.3)
	Coverage					
Current Expenditure by DR	118%	122%	111%	123%	123%	119%
Capital Expenditure by SR	47%	32%	16%	35%	41%	34%
Total Expenditure by DR	86%	72%	66%	74%	79%	75%

22.4 Macroeconomic impact

The Commission reviewed the current macroeconomic situation and the medium-term outlook and studied the effect of the pay and allowances revisions on the overall economy. Assessment of the macroeconomic sectors is briefly explained below:

- i. Over the last three five year plans, the economy achieved an average growth of 7.3% largely driven by investments in hydropower sector, increased electricity export earnings, expansion in the service industry, particularly in the tourism sector, and the public sector. During the period, industry and service sector grew by more than 8% while growth in agriculture was 2.5% on an average. In terms of outlook, the economy is projected to achieve a growth rate of 5 to 6% under the business as in usual scenario. However, the implementation of proposed tax reforms and commissioning of Puna II within the 12th FYP will propel the growth to well above 6%.
- ii. Increase in public spending through salary revisions has generally had a positive impact on economic growth. When salary was revised in 2009 (35% revision), the Government expenditure increased by 11% in FY 2008-09 while the expenditure increased by 5% with the revision in lump sum salary allowance in 2011. The last salary revision in 2014 increased Government expenditure by 7% and with the current recommendation the Government expenditure is estimated to be contained within 6%.
- iii. Prices remained fairly stable in 2018 as average annual inflation was 2.7% compared to 5.0% in 2017. The inflation trend for the last five years averaged 4.8% largely contributed by higher food inflation of 5.9% while non-food inflation was 4.0% on average during the same period. As the trend in food and commodity prices indicate a gradual rise along with the increase in fuel prices in the global market, CPI inflation forecast is projected to range within 5 to 6 % in the medium term.
- iv. Pay, allowances and benefits in the past were revised factoring the income erosion due to inflation and with the rationale of the income level of public servants being comparatively low, it would not induce inflationary trends in the market. However, inflation remained elevated from 2008 till 2014, which could be partly attributable to subsequent revisions in the past. Therefore, substantial revision of pay, allowances and benefits is normally accompanied by rise in price of local consumer goods, imported goods, services and house rents. In order to mitigate inflationary pressures, relevant agencies should intervene through appropriate measures and instruments.

- v. Managing the balance of trade continues to be a challenge for an import driven economy although most of the imports relate to capital goods for investments. As per the statistics, consumable import comprises over 30% of the total import. Goods trade deficit for FY 2017-18 was 16.5% of GDP and projected to remain in deficit while current account deficit is estimated to average at 11.5% of GDP during the plan. However, the overall balance of payments was positive mainly due to inflow of concessional loans and grants and similar trend is projected to continue.
- vi. The international reserve at the end of FY 2017-18 was US \$1.296 billion, which was adequate to meet 21 months of essential imports. To ensure enhancement of domestic productive capacity for import substitution, it is recommended to come up with policy measures to stimulate the economy such as priority sector lending and development of cottage and small industries.
- vii. Money supply (M2) growth in the economy is driven by domestic credit and net foreign assets (NFA). The M2 is expected to be driven by domestic credit as NFA is anticipated to decline with the phasing out of ODA grants and completion of on-going hydropower projects. Domestic credit growth increased by 20% in FY 2017-18 while it is expected to increase by 14% on average during the 12th plan. The softening of interest rate and increased focus on promoting access to finance in the priority sector are likely to influence domestic credit growth.

23. Recommendation for Fiscal Measures

To ensure that the proposed salary revision does not undermine the long-term fiscal sustainability and economic stability of the country, and in keeping with the relevant provisions of the Constitution, the following recommendations are proposed for consideration:

23.1 Revenue Enhancement Measures

- i. Broaden tax base through introduction of new taxes: Modernizing the sales tax regime with implementation of a smart GST system is estimated to generate additional revenue of around Nu.2.2 billion annually from FY 2021/22.
- ii. Review and rationalize existing tax rates:
 - a. **Green Tax:** In order to promote the Polluter Pays Principle, it is timely to revise the green tax on fuel. For example, if the green tax is revised by 5%, there is opportunity to generate additional revenue of Nu.450 million per annum.
 - b. **Royalty on Forest Products and Non-wood Forest products** including surface collection: It is high time that the rates of Royalty on Forest Products and Non-wood Forest products, in particular the surface collection are revised.
 - c. **Sustainable Development Fee (SDF):** in view of the increasing number of regional tourist arrivals, there is the opportunity to introduce SDF on regional tourists. During the year 2018, about 170,000 regional tourists visited Bhutan. The introduction of SDF of Nu.500 per head is estimated to generate Nu.425 million annually. The Government may also look into the possibility of enhancing the USD 65 SDF that has remained unchanged for the last 40 years or more.
 - d. **Other taxes:** There is also the opportunity to introduce value-based property taxes, extension of the coverage of 5% property transfer tax and luxury taxes to generate additional revenue.

23.2 Expenditure Rationalization

In order to minimize wasteful expenditure and to generate savings, the Commission recommends expenditure rationalization as follows:

- i. **In-country travel:** The in-country travel expenditure is about 16% -17% of the wage bill (excluding LTC). However, with the increase in road connectivity, resulting in reduction of travel times, there is possibility of further rationalization of traveling expenditure (for example public servants can now travel from Thimphu to Samdrup Jongkhar in one day). While in-country DA is recommended for revision due to increase in cost of living, the annual in-country travel expenditure is to be capped at 15% of wage bill (excluding LTC).
- ii. **Ex-country Travel:** Presently ex-country travel budget is provided for participation in mandatory international and regional meetings, seminars, conferences and workshops. Further, the following needs to be instituted to optimize ex-country travel:
 - a. The travel outside the country to be kept at bare minimum and undertaken only when necessary as per bilateral and multilateral commitments, regardless of funding.
 - b. Ensure finalization of programs and confirmed ticketing before travelling to avoid claims for extended stopovers which leads to DSA claims.
 - c. Develop guidelines to govern public officials' travel abroad to provide proper basis for budgeting.
- iii. **Utilities:**
 - a. High power bulbs are used to light offices. To reduce recurrent cost, all office and compound lightings be replaced with LED bulbs. This would be economical while also improving durability and quality.
 - b. The expenditure for utilities such as telephones, fax and internet is increasing over the years. The internet packages used by the agencies needs to be standardized and price for internet packages negotiated with internet service providers to achieve cost effectiveness. With this arrangement it is estimated that the Government can either save at least 30% of the current cost or increase the MBps package by 5 folds.
- iv. **Hospitality & Entertainment:** For the FY 2017-18, H&E budget was Nu. 130 million representing about 4% of the total current budget. Due to lack of clarity on its usage, a comprehensive guideline for proper usage of H&E budget is recommended to be adopted, which should result in savings of

at least 30% of the budget. In addition, it is also recommended that while hosting official gatherings, only local alcohol beverages be served.

- v. **Subsidies:** Based on the recommendations of the Committee constituted for reviewing the roles and responsibilities of the SoEs, the subsidies to the SoEs be rationalized. Further, MoF should institute proper mechanism to determine the grants, transfers, and capitation fees.

24. Recommendations for Implementation of Pay Revision

The Fourth Pay Commission, in adherence to the ToR outlined in the Executive Order and bearing in mind the relevant provisions of the Constitutions and other relevant laws, has considered sufficient current and future socio-economic factors in recommending the revision of pay, allowances, and benefits of public servants. The Commission also contemplated on several commitments the Government is pursuing in strengthening the public institutions for delivering efficient and quality public services, including the Government's centerpiece approaches of "*narrowing the income gap*" in the country.

The net financial implication of the recommended revision is within the fiscal space of the 12th FYP. Therefore, the implementation of the recommendations will not change the fiscal targets that have been set for the 12th FYP. Further, the Commission has recommended several measures for revenue enhancement and expenditure rationalization to improve the fiscal position in the medium term.

Therefore, the Commission recommends the implementation of pay fixation as follows:

24.1 Pay Fixation

Upon passing of the Pay Commission Report by the Parliament, the Ministry of Finance shall issue Pay Revision Notification along with the guidelines for fixation of pay, allowances and benefits.

24.2 Effective Date

The Commission recommends that the revision of pay, allowances and benefits be implemented with effect from 1st July, 2019.

25. Dissolving of the 4th Pay Commission

The 4th Pay Commission was instituted for a period of 3 months under the Government Executive Order No. C-2-/4-5/47 dated 9th January 2019. With the submission and presentation of the Pay Commission Report on 5th April 2019 to the *Lhengye Zhungtshog*, the Commission completes its tenure and shall be dissolved accordingly.

26. Acknowledgement

The Commission would like to express its sincere gratitude to the Royal Government of Bhutan for the trust and confidence placed upon the team. Despite various challenges faced in formulating the national pay policy through collection, compilation and analysis of data, the Commission was able to effectively carry out its task within the tenure.

The Commission also extends its appreciation to all the Government Agencies and Private Sector for the companies who shared their wisdom garnered through years of rich experience that has guided the Pay Commission in deriving its final recommendations.

Finally, the Commission recognizes the numerous stakeholders and members of the general public who have taken time to share valuable feedbacks and provide appropriate advice to the Commission through dedicated website and social media pages.

27. Annexure

Annexure 1: Government Executive Order



PRIME MINISTER

དཔལ་ལྷན་འབྲུག་གཞུང་།
Royal Government of Bhutan

མི-༢/༤-༧/༥༧

སྤྱི་ཚེས་ ༧/༡/༢༠༡༩ ལཱ།

གཞུང་སྐྱོང་བཀའ་བློ།

གནད་དོན་: དངུལ་ཕོགས་ལྷན་ཚོགས་བཞི་པ་གཞི་བཙུགས།

༣ དེ་ཡང་ འབྲུག་གི་ཙུ་ཁྲིམས་ཆེན་མོའི་ཙུ་ཚན་ ༣༠ པའི་དགོངས་དོན་དང་ ལྷན་ཀྲུས་གཞུང་ཚོགས་ཀྱིས་རྒྱབ་སྐྱོན་སུལ་ལ་
བཞེན་ཏུ་ ༧ མི་དབང་མངའ་བདག་རིན་པོ་ཆའི་ཞབས་ལས་ བཀའ་ཡི་གནང་བ་ལྟེ་གནང་ཡོད་པ་བཞིན་ གཞུང་གིས་ ཏུས་
མཚམས་ཚན་དང་ རང་དབང་ཚན་གྱི་དངུལ་ཕོགས་ལྷན་ཚོགས་བཞི་པ་འདི་གཞི་བཙུགས་གནང་མ་ཡིན། ལྷན་ཚོགས་འདི་གི་འགན་
ཚད་དང་ རྒྱུག་བཀོད་ དེལས་ འབྲུས་མི་རྒྱ་ གཤམ་གསལ་ལྟར་དུ་ཡིན།

༡༽ འགན་ཚད།

ཙུ་ཁྲིམས་ཆེན་མོའི་ཙུ་ཚན་ ༣༠ པའི་དོན་ཚན་ ༡ པའི་དགོངས་དོན་བཞིན་ ལྷན་ཚོགས་འདི་གིས་ གཤམ་འཁོད་གནད་དོན་ཚུ་གི་
ཐོག་ལུ་ དབྱེ་ཞིབ་འབད་དེ་ གཞུང་ལུ་རྒྱབ་སྐྱོན་ལུ་དགོ། དེ་ཡང་།

- ༡. ཞི་གཡོག་དང་ དང་ཁྲིམས་ལྷན་ལྟེ་ སྤྱི་ཚོགས་ཀྱི་འབྲུས་མི་དང་ ས་གནས་གཞུང་ ཙུ་ཁྲིམས་ཚན་གྱི་གཙུག་ལྟེ་ཚུ་གི་འབྲུས་
མི་རྒྱ་ དེལས་ གཞན་མི་མང་ཞབས་ཏྲོག་པ་རྒྱའི་ དངུལ་ཕོགས་ཀྱི་རྒྱུག་བཀོད་དང་ ལཱ་ཕོགས་ འབྲུས་དང་ གཞན་
མཐུན་རྐྱེན་ཚུ་གི་བསྐྱར་ཞིབ་སྐོར།

དངུལ་ཕོགས་བསྐྱར་ཞིབ་འདི་ དམིགས་གསལ་དུ་ གནས་རིམ་རྒྱུང་བ་དང་ བར་མའི་ཞི་གཡོག་པ་རྒྱུ་ འདྲ་མཉམ་འོང་
ཐབས་ལུ་ ལྷན་ཚོགས་ཀྱི་ཁ་ཐུག་ལས་ གཞུང་གི་ཡོད་པ་དང་མེད་པའི་བར་ནང་ ལཱ་པར་ཉུང་སྤྱོད་ཞི་གི་ཁས་བྲལ་ས་
འདི་སེམས་ཁར་ལེས་ཏེ་ ཆམ་ཉམ་ལུ་ཡར་སེང་འདྲ་མཉམ་འཕྲོད་བཟོ་ནི་ལུ་ དམིགས་དགོ།

- ༢. ཞི་གཡོག་ལཱ་འཛིན་ ༡ པ་མན་ཚད་ལུ་ འགོ་འབྲུལ་གྱི་འབྲུས་དང་ ཉིན་བསྐྱར་འབྲུས་ཀྱི་ཚད་འདན་འདྲ་འབྲིན་ནིའི་
སྐོར།
- ༣. རྒྱལ་ཁབ་ནང་ལུ་ རྒྱོབ་སྐྱོན་གྱི་ལཱ་གཡོག་ལུ་དང་འདོད་བསྐྱེད་བཙུག་ཐབས་ལུ་ རྒྱོབ་སྐྱོན་གྱི་འབྲུས་བསྐྱར་ཞིབ་ཀྱི་སྐོར།
- ༤. ཕྱི་རྒྱལ་ཞབས་ཏྲོག་པའི་མཐུན་རྐྱེན་གྱི་བཅའ་ཡིག་ ༡༠༠༢ ཚན་མ་ བསྐྱར་ཞིབ་འབད་ནི་སྐོར།



དཔལ་ལྷན་འབྲུག་གཞུང་།
Royal Government of Bhutan

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4. མི་མངལ་ལུ་ གསོ་བའི་ཞབས་ཏྲིག་ཚུ་ རིན་མེད་སྤོང་པ་དང་ འང་མཉམ་ དེ་ལས་ སྤུས་ཚད་ཅན་འབད་བྱིན་ཏེ་ འཕྲོད་བསྟེན་ ཅན་གྱི་རྒྱལ་ཁབ་བཟོ་ནིའི་དོན་ལུ་ རྒྱུང་འཛོལ་ཚུ་དང་ སྤུས་གཡོགས་ཚུའི་ ཅུས་ཐོབ་ས་ཀྱི་སྤྱོད་ཆ་དང་ འཕྲོད་བསྟེན་ལུ་གཞི་དུ་ཉེན་ཆེ་བའི་ལཱ་གི་གནས་སྤངས་ཀྱི་འཇུག་ ལུ་མོའི་སྤྱི་གཡོག་དང་ སྤྱོད་ཆ་ཞབས་ཏྲིག་གི་འཇུག་ཚུ་ བྱིན་ནི་གི་འོས་འབབ་སྟོན།
5. ཚོུད་དཔོན་ཡོངས་ཁྲབ་ཡིག་ཚང་གི་ཚོུད་དཔོན་ཚུ་ལུ་འཇུག་ཀྱི་སྟོན།
6. ལམ་ལུགས་ཚུ་ སྤབས་བདེ་ཏྲིག་ཏེ་བཟོ་ནི་དང་ དངུལ་སྤོང་ཚུ་ཡར་སེང་འབད་ཐོག་ལས་ དགོངས་ཁུའི་དངུལ་ཐོགས་དང་ དགོངས་ཁུའི་གསོལ་ར་ དེ་ལས་ འཚོ་རྟེན་མ་དངུལ་ལ་སོགས་པའི་དགོངས་ཁུའི་ཐོབ་ལམ་ཡར་རྒྱས་གཏང་ནི་སྟོན།
7. རྒྱལ་གཞུང་གི་གཡོག་ལྷན་ཚོགས་ཀྱིས་ ཁ་འབག་ཐོག་གཡོག་བརྩམས་འབད་ཡོད་པའི་ལཱ་གཡོག་ཚུ་ གཏན་འཇགས་ཀྱི་ལཱ་གཡོག་པ་འབད་བཟོ་བ་ཅིན་ འདི་དང་འབྲེལ་བའི་དངུལ་གྱི་གཞི་དུ་ཡོད་མེད་སྟོན།
8. ལས་ཁུངས་དང་ རང་སྤོང་ལས་སྟེའི་འགོ་འཛིན་ཚུ་ལུ་ རང་དབང་གི་སྤྱི་གཡོག་སྤུམ་འཁོར་མའོ་སྤོང་གི་ཐོབ་ལམ་དང་ སྤྱོལ་འབྲེན་གྱི་འཇུག་སྤོང་ནི་གི་ལམ་ལུགས་གཞི་བརྩམས་ཀྱི་འོས་འབབ་སྟོན།
9. སྤུམ་འཁོར་གྱི་ཐོབ་ཆའི་ལམ་ལུགས་དང་ དེའི་ཚབ་ལུ་ དངུལ་སྤོང་གི་ལམ་ལུགས་སྟོན།
10. ཞི་གཡོག་ཚུ་ལུ་ ལེབ་འོབ་མའོ་སྤྱབ་ཀྱི་དོན་ལུ་ དངུལ་གྱི་ཐོབ་ལམ་བཟོ་བ་ཅིན་ ཟད་འགོ་ལུ་ སུན་ལུགས་ཡོད་ལུགས་སྟོན།
11. དངུལ་ཐོགས་བསྐྱར་ཞིབ་ཀྱི་དོན་ལུ་ གཞུང་གསར་པ་ལུ་སྤྱི་གཡོག་པ་དགོ་པར་ གོང་ཚད་ཀྱི་ཡར་འཕར་དང་བསྐྱུན་ དངུལ་ཐོགས་དང་ ཟུར་འཇུག་ཚུ་ཡང་ ལོ་བསྐྱར་བཞིན་དུ་བསྐྱར་ཞིབ་དང་ བསྐྱར་བཟོ་འབད་ནི་གི་ཐབས་ལམ་སྟོན།

གཞན་ཡང་ ལྷན་ཚོགས་འདི་གིས་ ལྷན་རྒྱས་གཞུང་ཚོགས་ཀྱི་བཀའ་རྒྱ་དང་བསྐྱུན་ གལ་གནད་ཆེ་བའི་གནད་དོན་ཚུ་ལུ་གསུང་གོས་གནང་དགོས་ཨིན།



དཔལ་ལྷན་འབྲུག་གཞུང་།

Royal Government of Bhutan

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༥། གཞི་ཅན།

ལྷན་ཚོགས་འདི་གིས་ གཤམ་འཁོད་རྒྱ་ཁྱབ་དཔལ་འབྱོར་རིག་པའི་ཚད་གཞི་ཚུ་ ཕྱིས་འཛོག་འབད་དགོ།

༥.༡. དངུལ་ཕོགས་བསྐྱར་ཞིབ་འདི་གིས་ རྒྱལ་ཁབ་ཀྱི་དཔལ་འབྱོར་ཡུན་བརྟན་དང་ ཅུ་བརྟན་ལུ་ གཞོད་པ་མེད་པ་མ་ཚད་ ཅུ་
ཁྲིམས་ཚེན་མོའི་དགོངས་དོན་ཚུ་དང་ འགལ་བ་མེད་པ་དེས་བརྟན་བཟོ་དགོ། དངུལ་ཕོགས་དང་འབྲུག་ཡར་སེང་འདི་ གཤམ་
འཁོད་ལྷན་ འོང་འབབ་ཐབས་དང་ ཟད་འགོ་མར་ཕབ་ཀྱི་ཐོག་ལས་ བཟོ་དགོ་ཡིན།

༡། འོང་འབབ་ཡར་སེང་ཐབས་ལམ། དངུལ་ཕོགས་དང་འབྲུག་ཡར་སེང་གི་དོན་ལུ་ ལྷན་ཚོགས་ཀྱི་ཁ་སྲུག་ལས་
འོངས་འབབ་ཀྱི་ཐོན་ཁུངས་དང་ འོང་འབབ་ཡར་སེང་གཏང་ནི་གི་ཐབས་ལམ་ཚུ་ངོས་འཛོན་འབད་དགོ།

ཡ། ཟད་འགོ་མར་ཕབ། རྒྱལ་སྤོན་སྤུལ་ཡོད་པའི་དངུལ་ཕོགས་བསྐྱར་ཞིབ་འདི་ལྷན་ཐབས་ཀྱི་དོན་ལུ་ ལྷན་
ཚོགས་ཀྱི་ཁ་སྲུག་ལས་ ཟད་འགོ་མར་ཕབ་དང་ ཐབས་ལམ་གཞན་ཚུ་ རྒྱལ་སྤོན་སྤུལ་དགོ་ཡིན།

༥.༢. རྒྱ་ཁྱབ་དཔལ་འབྱོར་ལུ་གཞོད་པ། ལྷན་ཚོགས་ཀྱི་ཁ་སྲུག་ལས་ དངུལ་ཕོགས་བསྐྱར་ཞིབ་འདི་གིས་ གོང་ཚད་ཡར་འཕར་དང་
གསོག་འཛོག་ དེལས་ དངུལ་སྤོད་ལེན་གྱི་ཁྱད་པར་ཚུ་ལུ་ གཞོད་པ་ཚུ་ཕྱིས་འཛོག་འབད་དགོ་དང་ གཞོད་པ་མར་ཕབ་ཀྱི་
ཐབས་ལམ་ཚུ་ རྒྱལ་སྤོན་སྤུལ་དགོ།

༥.༣. བསྐྱར་ཞིབ་འདི་གི་བྱེམ། སྐར་སྤེ་དང་ གཞུང་འབྲེལ་ལས་སྡེ་ དེལས་གཞན་ལས་སྡེ་ཚུ་གི་དངུལ་ཕོགས་དང་ དཔལ་འབྱོར་ལུ་
བྱེམ་ཕོག་ཉེན་ཡོད་མེད་ཚུ་ཞིབ་ལྟ་འབད་དགོ།

༦། མོས་བསྐྱར།

མི་མང་ཞབས་ཏོག་རྒྱུ་བ་མི་ཡོད་ཚད་ཀྱི་འདོད་པ་ཚུ་ མཉམ་སྲེབ་འབད་ཚུགས་ཐབས་ལུ་ ལྷན་ཚོགས་འདི་གིས་ ཞི་གཡོག་དང་ ས་
གནས་གཞུང་ ཅུ་ཁྲིམས་ཅན་གྱི་གོ་གནས་འཆང་མི་གི་འབྲུག་མི་ཚུ་ལུ་ དངུལ་ཕོགས་དང་ འབྲུག་ དེལས་ ཁེ་ཕན་ཚུ་བསྐྱར་ཞིབ་
ཀྱི་ཐང་ ཁོང་འདི་བསམ་བཞོན་འབད་ནིའི་དོན་ལུ་ གཤམ་གཏོགས་འབད་བརྟུག་དགོ།

༧། ལྷན་ལུ།

ལྷན་ཚོགས་འདི་ གཞི་བརྟུགས་འབད་བའི་ཉེན་མ་ལས་ རྒྱ་འགྲུལ་གྱི་ནང་འཁོད་ དངུལ་ཕོགས་ལྷན་ཚོགས་བཞི་པའི་ལྷན་ལུ་འདི་
སློབ་ཚེན་ལུ་ཕུལ་དགོ། ལྷན་རྒྱུས་གཞུང་ཚོགས་ལུ་སྤྱན་འབུལ་ལུ་ཚར་བའི་ལུལ་ལུ་ ལྷན་ལུ་འདི་ ལྷན་རྒྱུས་གཞུང་ཚོགས་ཀྱི་ཡོངས་
འབྲེལ་འཆར་སློབ་ནང་ མི་མང་བད་དོན་གྱི་དོན་ལུ་བརྟུག་དགོ།



དཔལ་ལྷན་འབྲུག་གཞུང་།

Royal Government of Bhutan

PRIME MINISTER

༡། ཞལ་འཛོམས་གི་འབྲུག་

འབྲུག་མི་ཚུ་ལུ་ ཞལ་འཛོམས་ནང་ ཚར་རེ་གྲལ་གཏོགས་འབད་མ་ད་ འབྲུག་དངུལ་ཁྲི་ ༡,༠༠༠/- རེ་དང་ གཞན་ཡིག་ཚང་ལས་
བྱེད་པ་ཚུ་ལུ་ འབྲུག་མི་གི་འབྲུག་ལས་ ལྷན་ཚུ་ ༡༠ རེ་འབྲོབ་དགོ།

བཀའ་རྒྱ་འདི་ ལྷི་ཚེས་ ༢༡/༡༡/༢༠༡༤ ལུ་འཛོམས་ཡོད་པའི་ ལྷན་ལྷན་གཞུང་ཚོགས་ཐེངས་ ༤ པ་དང་ ལྷི་ཚེས་ ༤/༡༢/༢༠༡༤
ལུ་འཛོམས་ཡོད་པའི་ ལྷན་ལྷན་གཞུང་ཚོགས་ཐེངས་ ༥ པའི་གོ་སྐབས་ཚུ་གི་དགོངས་དོན་ལྷན་ཡིན་མཁའ་ལས་ དེ་འབྲུག་ལས་ དང་ལེན་
འབད་དགོཔ་ཨིན། ཞེས་རང་ལུགས་གནམ་ལོ་ས་ཕོ་ལྷོ་ལོ་ ༣༡ པའི་ཚེས་ ༣ ལུ་སྤེལ་བ་དགོའོ།



(འོག་འཇམ་གློ་གོས་ཚེ་རིང་)

དང་ལེན་གྱི་དོན་ལུ་འབྲུག་

༡. ལྷན་ལྷན་གཞུང་དངུལ་ལས་དབང་འཛིན་གྱི་སྤྱི་འཛིན་ དགོས་དཔལ་འབྱོར་ལུ།
༢. ལྷན་ལྷན་གཞུང་གི་གཞི་གཞུང་ལྷན་ཚོགས་གི་ལྷན་འཛིན་ སྐལ་བཟང་བདེ་སྦྱིད་ལུ།
༣. ལྷན་ལྷན་གཞུང་གི་ལྷན་ཚོགས་དང་ འཛོམས་ལྷན་ལྷན་གཞུང་གི་བཀོད་ལྟ་བུ་གཙོ་འཛིན་འགོ་དཔོན་གཞུང་གི་འབྲུག་པ་ལུ།
༤. འབྲུག་མི་མེར་རླུ་ཚོར་གཞི་བཟུང་གི་ བཀོད་ལྟ་བུ་གཙོ་འཛིན་འགོ་དཔོན་ དགོས་ཀྱི་འོད་ཟེར་རལ་གི་ལུ།
༥. འབྲུག་ཚོང་དང་བཟོ་གྲུ་ཚོགས་སྤེལ་ཡོངས་ཁྱབ་དུང་ཚེན་ སངས་རྒྱུ་ལུ།
༦. མཛེན་མཐོའི་ཁྲིམས་འདུན་གྱི་ ཚུད་འཛིན་ཡོངས་ཁྱབ་ ཚེ་རིང་རྒྱུ་ལུ།
༧. དངུལ་རྩིས་ལྷན་ལག་གི་དུང་ཚེན་ རྩིས་རྒྱུ་ལུ།
༨. ལྷན་ལྷན་གཞུང་གི་དུང་ཚེན་གྱི་མདུན་ཚུ་ འཛོམས་ཚེ་རིང་ལུ།
༩. དངུལ་རྩིས་ལྷན་ལག་གི་ སྤྱི་དབྱུག་དང་འཆར་གཞི་སྤེལ་ཚུ་གྱི་གཙོ་འཛིན་ བཅོམ་སྐྱོགས་ཚེ་རིང་ལུ།



དཔལ་ལྷན་འབྲུག་གཞུང་།

Royal Government of Bhutan

PRIME MINISTER

སྣན་ལྷན་འབྲུག་ལྷན་ཁང་།

༡. འབྲུག་གི་མི་རིགས་ལྷན་ཁྲིམས་ལྷན་པོ་མཆོག་ལྷན།
༢. རྒྱལ་ཡོངས་ཆོགས་འདུའི་ཆོགས་དཔོན་མཆོག་ལྷན།
༣. རྒྱལ་ཡོངས་ཆོགས་སྡེའི་ལོ་འཛིན་མཆོག་ལྷན།
༤. ལྷན་ཁག་ཡོངས་ཀྱི་ལྷན་རྒྱུས་ཡོངས་ལྷན།
༥. མི་དབང་མངའ་བདག་རིན་པོ་ཆེའི་ རྒྱུ་ཆེན་ལྷན།
༦. མི་དབང་འབྲུག་རྒྱལ་བཞི་པའི་རྒྱུ་ཆེན་ལྷན།
༧. ཅུ་ལྷན་ཚན་གྱི་གཞུག་སྡེ་ཚུ་གི་འགོ་འཛིན་ཡོངས་ལྷན།
༨. ལྷན་ཁག་ཡོངས་ཀྱི་རྒྱུ་ཆེན་ཡོངས་ལྷན།
༩. རང་སྐྱོང་ལས་སྡེ་ཡོངས་ཀྱི་ འགོ་འཛིན་ཡོངས་ལྷན།
༡༠. རྒྱུ་ཆེན་གྱི་གཙོ་རྒྱུ་ལྷན།

Annexure 2: Existing Pay Matrix & Scale

Number of Years	Existing Pay Matrix																		
	O4	O3	O2	O1	S5	S4	S3	S2	S1	P5/SS4	P4/SS3	P3/SS2	P2/SS1	P1	EX/ES-3	EX/ES-2	EX/ES-1	Govt Sec.	Cab. Sec.
0	8,505	9,155	10,075	10,725	11,125	12,025	13,550	14,830	16,365	17,495	21,370	23,995	27,370	30,990	38,700	45,785	54,575	65,930	75,160
1	8,675	9,340	10,275	10,940	11,350	12,265	13,820	15,125	16,690	17,845	21,795	24,475	27,915	31,610	39,475	46,700	55,665	67,250	76,665
2	8,845	9,525	10,475	11,155	11,575	12,505	14,090	15,420	17,015	18,195	22,220	24,955	28,460	32,230	40,250	47,615	56,755	68,570	78,170
3	9,015	9,710	10,675	11,370	11,800	12,745	14,360	15,715	17,340	18,545	22,645	25,435	29,005	32,850	41,025	48,530	57,845	69,890	79,675
4	9,185	9,895	10,875	11,585	12,025	12,985	14,630	16,010	17,665	18,895	23,070	25,915	29,550	33,470	41,800	49,445	58,935	71,210	81,180
5	9,355	10,080	11,075	11,800	12,250	13,225	14,900	16,305	17,990	19,245	23,495	26,395	30,095	34,090	42,575	50,360	60,025	72,530	82,685
6	9,525	10,265	11,275	12,015	12,475	13,465	15,170	16,600	18,315	19,595	23,920	26,875	30,640	34,710	43,350	51,275	61,115		
7	9,695	10,450	11,475	12,230	12,700	13,705	15,440	16,895	18,640	19,945	24,345	27,355	31,185	35,330	44,125	52,190	62,205		
8	9,865	10,635	11,675	12,445	12,925	13,945	15,710	17,190	18,965	20,295	24,770	27,835	31,730	35,950	44,900	53,105	63,295		
9	10,035	10,820	11,875	12,660	13,150	14,185	15,980	17,485	19,290	20,645	25,195	28,315	32,275	36,570	45,675	54,020	64,385		
10	10,205	11,005	12,075	12,875	13,375	14,425	16,250	17,780	19,615	20,995	25,620	28,795	32,820	37,190	46,450	54,935	65,475		
11	10,375	11,190	12,275	13,090	13,600	14,665	16,520	18,075	19,940	21,345	26,045	29,275	33,365	37,810	47,225	55,850	66,565		
12	10,545	11,375	12,475	13,305	13,825	14,905	16,790	18,370	20,265	21,695	26,470	29,755	33,910	38,430	48,000	56,765	67,655		
13	10,715	11,560	12,675	13,520	14,050	15,145	17,060	18,665	20,590	22,045	26,895	30,235	34,455	39,050	48,775	57,680	68,745		
14	10,885	11,745	12,875	13,735	14,275	15,385	17,330	18,960	20,915	22,395	27,320	30,715	35,000	39,670	49,550	58,595	69,835		
15	11,055	11,930	13,075	13,950	14,500	15,625	17,600	19,255	21,240	22,745	27,745	31,195	35,545	40,290	50,325	59,510	70,925		
Lump sum increment	170	185	200	215	225	240	270	295	325	350	425	480	545	620	775	915	1,090	1,320	1,505
Existing Pay Scale																			
	O4	O3	O2	O1	S5	S4	S3	S2	S1	P5/SS4	P4/SS3	P3/SS2	P2/SS1	P1	EX/ES-3	EX/ES-2	EX/ES-1	Govt Sec.	Cab. Sec.
Minimum	8,505	9,155	10,075	10,725	11,125	12,025	13,550	14,830	16,365	17,495	21,370	23,995	27,370	30,990	38,700	45,785	54,575	65,930	75,160
Increment	170	185	200	215	225	240	270	295	325	350	425	480	545	620	775	915	1,090	1,320	1,505
Maximum	11,055	11,930	13,075	13,950	14,500	15,625	17,600	19,255	21,240	22,745	27,745	31,195	35,545	40,290	50,325	59,510	70,925	72,530	82,685

Annexure 3: Recommended Pay Matrix & Scale

No. of Years	New Pay Matrix																		
	O4	O3	O2	O1	S5	S4	S3	S2	S1	P5/SS4	P4/SS3	P3/SS2	P2/SS1	P1	EX/ES-3	EX/ES-2	EX/ES-1	Govt. Sec.	Cab. Sec.
0	10,295	11,080	12,195	12,980	13,130	14,190	15,990	17,500	19,315	20,295	24,790	27,835	31,750	35,950	44,505	52,655	62,765	75,165	85,685
1	10,810	11,635	12,805	13,630	13,790	14,900	16,790	18,375	20,285	21,310	26,030	29,230	33,340	37,750	46,735	55,290	65,905	78,925	89,970
2	11,355	12,220	13,450	14,315	14,480	15,645	17,630	19,295	21,300	22,380	27,335	30,695	35,010	39,640	49,075	58,055	69,205	82,875	94,470
3	11,925	12,835	14,125	15,035	15,205	16,430	18,515	20,260	22,365	23,500	28,705	32,230	36,765	41,625	51,530	60,960	72,670	87,020	99,195
4	12,525	13,480	14,835	15,790	15,970	17,255	19,445	21,275	23,485	24,675	30,145	33,845	38,605	43,710	54,110	64,010	76,305	91,375	104,155
5	13,155	14,155	15,580	16,580	16,770	18,120	20,420	22,340	24,660	25,910	31,655	35,540	40,540	45,900	56,820	67,215	80,125	95,945	109,365
6	13,815	14,865	16,360	17,410	17,610	19,030	21,445	23,460	25,895	27,210	33,240	37,320	42,570	48,195	59,665	70,580	84,135		
7	14,510	15,610	17,180	18,285	18,495	19,985	22,520	24,635	27,190	28,575	34,905	39,190	44,700	50,605	62,650	74,110	88,345		
8	15,240	16,395	18,040	19,200	19,420	20,985	23,650	25,870	28,550	30,005	36,655	41,150	46,935	53,140	65,785	77,820	92,765		
9	16,005	17,215	18,945	20,160	20,395	22,035	24,835	27,165	29,980	31,510	38,490	43,210	49,285	55,800	69,075	81,715	97,405		
10	16,810	18,080	19,895	21,170	21,415	23,140	26,080	28,525	31,480	33,090	40,415	45,375	51,750	58,590	72,530	85,805	102,280		
11	17,655	18,985	20,890	22,230	22,490	24,300	27,385	29,955	33,055	34,745	42,440	47,645	54,340	61,520	76,160	90,100	107,395		
12	18,540	19,935	21,935	23,345	23,615	25,515	28,755	31,455	34,710	36,485	44,565	50,030	57,060	64,600	79,970	94,605	112,765		
13	19,470	20,935	23,035	24,515	24,800	26,795	30,195	33,030	36,450	38,310	46,795	52,535	59,915	67,830	83,970	99,340	118,405		
14	20,445	21,985	24,190	25,745	26,040	28,135	31,705	34,685	38,275	40,230	49,135	55,165	62,915	71,225	88,170	104,310	124,330		
15	21,470	23,085	25,400	27,035	27,345	29,545	33,295	36,420	40,190	42,245	51,595	57,925	66,065	74,790	92,580	109,530	130,550		
Maximum Indexation	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Recommended Pay Scale (Nu.)																			
	O4	O3	O2	O1	S5	S4	S3	S2	S1	P5/SS4	P4/SS3	P3/SS2	P2/SS1	P1	EX/ES-3	EX/ES-2	EX/ES-1	Govt. Sec.	Cab. Sec.
Minimum	10,295	11,080	12,195	12,980	13,130	14,190	15,990	17,500	19,315	20,295	24,790	27,835	31,750	35,950	44,505	52,655	62,765	75,165	85,685
Increment	Annual Indexation																		
Maximum	21,470	23,085	25,400	27,035	27,345	29,545	33,295	36,420	40,190	42,245	51,595	57,925	66,065	74,790	92,580	109,530	130,550	95,945	109,365

Annexure 4: Comparison of Existing and Recommended Monthly Pay, Gross Salary & Take-Home Pay (Civil Servants)

Sl. No	Position	Existing						Recommendation													
		Basic Pay	HRA	PBI	PF	Gross	Monthly Take Home Pay	Basic Pay		HRA		PF		PBI		Additional PF		Gross including PF		Monthly Take Home Pay	
								Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change
1	Cab. Sec	75,160	15,030	-	8,268	98,458	69,028	85,685	14%	25,710	71%	9,425	14%	8,569	10%	5,998	7%	135,387	38%	84,470	22%
2	Govt. Sec	65,930	13,185	-	7,252	86,367	61,091	75,165	14%	22,550	71%	8,268	14%	7,517	10%	5,262	7%	118,761	38%	75,152	23%
3	EX/ES-1	54,575	10,915	-	6,003	71,493	51,326	62,765	15%	12,555	15%	6,904	15%	6,277	10%	4,394	7%	92,894	30%	58,778	15%
4	EX/ES-2	45,785	9,155	-	5,036	59,976	43,765	52,655	15%	10,535	15%	5,792	15%	5,266	10%	3,686	7%	77,933	30%	50,019	14%
5	EX/ES-3	38,700	7,740	-	4,257	50,697	37,674	44,505	15%	8,905	15%	4,896	15%	4,451	10%	3,115	7%	65,871	30%	42,958	14%
6	P1	30,990	6,200	-	3,409	40,599	30,710	35,950	16%	7,190	16%	3,955	16%	3,595	10%	2,517	7%	53,206	31%	35,495	16%
7	P2/SS1	27,370	5,475	-	3,011	35,856	27,399	31,750	16%	6,350	16%	3,493	16%	3,175	10%	2,223	7%	46,990	31%	31,625	15%
8	P3/SS2	23,995	4,800	-	2,639	31,434	24,313	27,835	16%	5,570	16%	3,062	16%	2,784	10%	1,948	7%	41,199	31%	28,016	15%
9	P4/SS3	21,370	4,275	-	2,351	27,996	21,912	24,790	16%	4,960	16%	2,727	16%	2,479	10%	1,735	7%	36,691	31%	25,213	15%
10	P5/SS4	17,495	3,500	-	1,924	22,919	18,260	20,295	16%	4,060	16%	2,232	16%	2,030	10%	1,421	7%	30,038	31%	21,070	15%
11	S1	16,365	3,275	-	1,800	21,440	17,256	19,315	18%	3,865	18%	2,125	18%	1,932	10%	1,352	7%	28,588	33%	20,246	17%
12	S2	14,830	2,965	-	1,631	19,426	15,686	17,500	18%	3,500	18%	1,925	18%	1,750	10%	1,225	7%	25,900	33%	18,483	18%
13	S3	13,550	2,710	-	1,491	17,751	14,307	15,990	18%	3,200	18%	1,759	18%	1,599	10%	1,119	7%	23,667	33%	17,011	19%
14	S4	12,025	2,405	-	1,323	15,753	12,663	14,190	18%	2,840	18%	1,561	18%	1,419	10%	993	7%	21,003	33%	15,115	19%
15	S5	11,125	2,225	-	1,224	14,574	11,693	13,130	18%	2,630	18%	1,444	18%	1,313	10%	919	7%	19,436	33%	13,959	19%
16	O1	10,725	2,145	-	1,180	14,050	11,362	12,980	21%	2,600	21%	1,428	21%	1,298	10%	909	7%	19,214	37%	13,896	22%
17	O2	10,075	2,015	-	1,108	13,198	10,661	12,195	21%	2,440	21%	1,341	21%	1,220	10%	854	7%	18,050	37%	13,044	22%
18	O3	9,155	1,830	-	1,007	11,992	9,668	11,080	21%	2,220	21%	1,219	21%	1,108	10%	776	7%	16,402	37%	11,832	22%
19	O4	8,505	1,700	-	936	11,141	8,967	10,295	21%	2,060	21%	1,132	21%	1,030	10%	721	7%	15,238	37%	10,980	22%
Compression Ratio (Ex1/O4)		6.4				6.4	5.7	6.1										6.1		5.4	
Compression Ratio (CS/O4)		8.8				8.8	7.7	8.3										8.9		7.7	

Annexure 5: Comparison of Existing and Recommended Monthly Pay, Gross Salary & Take-Home Pay (Public Servants)

Sl. No	Position	Existing						Recommendation														
		Basic Pay	HRA	PBI	PF	Gross	Monthly Take Home Pay	Basic Pay		HRA		PF		PBI		Additional PF		Gross including PF		Monthly Take Home Pay		
								Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change	
I	PM & Cabinet Ministers																					
1	Prime Minister	180,000	54,000	-	19,800	253,800	166,893	205,200	14%	61,560	14%	22,572	14%	20,520	10%	14,364	7%	324,216	28%	190,322	14%	
2	Ministers	130,000	39,000	-	14,300	183,300	122,918	148,200	14%	44,460	14%	16,302	14%	14,820	10%	10,374	7%	234,156	28%	139,839	14%	
II	Members of Parliament																					
1	NA Speaker, NC Chair & OL	130,000	39,000	-	14,300	183,300	122,918	148,200	14%	44,460	14%	16,302	14%	14,820	10%	10,374	7%	234,156	28%	139,839	14%	
2	Dy. Speaker/Dy. NC chair	75,160	22,550	-	8,268	105,978	74,688	85,685	14%	25,710	14%	9,425	14%	8,569	10%	5,998	7%	135,387	28%	84,470	13%	
3	Members	65,930	19,780	-	7,252	92,962	66,301	75,165	14%	22,550	14%	8,268	14%	7,517	10%	5,262	7%	118,761	28%	75,152	13%	
III	Judiciary																					
1	Chief Justice of Supreme Court	130,000	39,000	-	14,300	183,300	122,918	148,200	14%	44,460	14%	16,302	14%	14,820	10%	10,374	7%	234,156	28%	139,839	14%	
2	Drangpons of SC	75,160	15,030	-	8,268	98,458	69,028	85,685	14%	25,710	71%	9,425	14%	8,569	10%	5,998	7%	135,387	38%	84,470	22%	
3	Chief Justice of HC	69,225	13,845	-	7,615	90,685	63,925	78,920	14%	23,680	71%	8,681	14%	7,892	10%	5,524	7%	124,698	38%	78,477	23%	
4	Drangpons of High Court	65,930	13,185	-	7,252	86,367	61,091	75,165	14%	22,550	71%	8,268	14%	7,517	10%	5,262	7%	118,761	38%	75,152	23%	
IV	Privy Council																					
1	Chairman	130,000	39,000	-	14,300	183,300	122,918	148,200	14%	44,460	14%	16,302	14%	14,820	10%	10,374	7%	234,156	28%	139,839	14%	
2	Council Members	60,030	12,005	-	6,603	78,638	56,017	68,435	14%	20,535	71%	7,528	14%	6,844	10%	4,790	7%	108,132	38%	69,102	23%	
V	Constitutional Bodies																					
1	Holders	75,160	15,030	-	8,268	98,458	69,028	85,685	14%	25,710	71%	9,425	14%	8,569	10%	5,998	7%	135,387	38%	84,470	22%	
2	Members/Commissioners	60,030	12,005	-	6,603	78,638	56,017	68,435	14%	20,535	71%	7,528	14%	6,844	10%	4,790	7%	108,132	38%	69,102	23%	
VI	Office of Attorney General																					
1	Attorney General	75,160	15,030	-	8,268	98,458	69,028	85,685	14%	25,710	71%	9,425	14%	8,569	10%	5,998	7%	135,387	38%	84,470	22%	
VII	Local Government																					
1	Thrompons	45,785	-	-	5,036	50,821	36,462	52,655	15%	-	0%	5,792	15%	5,266	10%	3,686	7%	67,398	33%	41,701	14%	
2	Gups	28,000	-	-	3,080	31,080	23,185	28,000	0%	-	0%	3,080	0%	2,800	10%	1,960	7%	35,840	15%	23,381	1%	
3	Mangmi	21,000	-	-	2,310	23,310	17,918	21,000	0%	-	0%	2,310	0%	2,100	10%	1,470	7%	26,880	15%	18,073	1%	
4	Dzongkhag Thromde Thuemi	21,000	-	-	2,310	23,310	18,008	21,000	0%	-	0%	2,310	0%	2,100	10%	1,470	7%	26,880	15%	18,163	1%	
5	Thromde Thuemi	9,800	-	-	1,078	10,878	8,324	9,800	0%	-	0%	1,078	0%	980	10%	686	7%	12,544	15%	8,405	1%	
6	Tshogpa	9,800	-	-	1,078	10,878	8,424	9,800	0%	-	0%	1,078	0%	980	10%	686	7%	12,544	15%	8,505	1%	
VIII	Others																					
1	GSP -I	8,080	2,425	-	-	10,505	8,709	9,465	17%	1,895	17%	1,041	17%	946	10%	663	7%	14,010	33%	10,065	16%	
2	GSP -II	7,695	2,310	-	-	10,005	8,296	9,465	23%	1,895	23%	1,041	23%	946	10%	663	7%	14,010	40%	10,065	21%	
3	ESP	7,000	-	-	-	7,000	6,930	9,000	29%	1,800	29%	990	29%	900	10%	630	7%	13,320	90%	9,576	38%	
4	NFE Instructor	8,400	-	-	-	8,400	8,316	10,840	29%	2,170	29%	1,192	29%	1,084	10%	759	7%	16,045	91%	11,532	39%	
5	Geydrung	13,000	-	-	-	13,000	12,870	15,340	18%	3,070	18%	1,687	18%	1,534	10%	1,074	7%	22,705	75%	16,465	28%	

Annexure 6: Lump sum Monthly House Rent Allowance for Other Public Servants

Sl. No	Position	Existing HRA	Recommended HRA	% Change
Other Public Servants				
1	Prime Minister	54,000	61,560	14%
2	Chief Justice of Supreme Court	39,000	44,460	14%
3	Ministers & Equivalent Positions	39,000	44,460	14%
4	Chairman of Privy Council	39,000	44,460	14%
5	Dy. Speaker/Dy. NC chair	22,550	25,710	14%
6	Members of Parliament	19,780	22,550	14%
7	Drangpons of SC	15,030	25,710	71%
8	Chief Justice of HC	13,845	23,680	71%
9	Drangpons of High Court	13,185	22,550	71%
10	Members of Privy Council	12,005	20,530	71%
11	Holders of Constitutional Offices	15,030	25,710	71%
12	Members/Commissioners of Constitutional Office	12,005	20,530	71%
13	Attorney General	15,030	25,710	71%
Others				
1	GSP -I	1,615	1,890	17%
2	GSP -II	1,540	1,890	23%
3	ESP	NA	1,800	100%
4	NFE Instructor	NA	2,160	100%
5	Geydrung	NA	3,070	100%

Annexure 7: Allowances and Benefits for Prime Minister

Allowance	Existing	Recommendation
House Rent	Free furnished accommodation or 30% of minimum pay scale	Free furnished accommodation or 30% of minimum pay scale
Communication	Actual telephone charges & Nu. 6,000 for mobile purchase	Actual telephone charges and do away with mobile purchase allowance
Designated vehicle	Chauffer driven Car	Chauffer driven Car
Discretionary	Nu. 300,000 per annum	Nu. 300,000 per annum
Domestic Help	Nu. 7,500 with other benefits (2 persons)	At par with ESP level
Water & Electricity	Actual	Actual
Vehicle import quota	One quota exempted from sales tax and customs duty upon completion of term	One quota exempted from sales tax and customs duty upon completion of term or Nu. 1.50 million

Annexure 8: Allowances and Benefits for Cabinet Ministers and Equivalent Position

Allowance	Existing	Recommendation
House Rent	Free furnished accommodation or 30% of minimum pay scale	Free furnished accommodation or 30% of minimum pay scale
Communication	Nu. 6,000 for mobile purchase & Nu. 5,000 for telephone charges inclusive of mobile charges	Nu. 5,000 as telephone charges inclusive of mobile charges
Designated vehicle	Chauffer driven Car	Chauffer driven Car
Discretionary	Nu. 200,000 per annum	Nu. 200,000 per annum
Domestic Help	Nu. 7,500 with other benefits (2 persons)	At par with ESP level
Water & Electricity	Actual	Actual
Vehicle import quota	One quota exempted from sales tax and customs duty upon completion of term	One quota exempted from sales tax and customs duty upon completion of term or Nu. 1.50 million

Annexure 9: Allowances and Benefits for Members of Parliament

Allowance	Existing	Recommendation
House Rent	30% of minimum pay scale	30% of minimum pay scale
Communication	Nu.5,000 for mobile purchase & Nu.2,000 for telephone charges inclusive of mobile charges	Nu.2,000 for telephone charges inclusive of mobile charges
Vehicle Maintenance & Fuel Expenses	Nu.7,000/month	Nu.10,000/month
Driver	Nu.6,000/month	Nu.10,000/month
Vehicle Purchase Amount	Nu.1.0 million per term	Nu.1.0 million per term
Vehicle import quota per term	One quota exempted for sales tax & customs duty	One quota exempted for sales tax & customs duty quota or Nu. 1.5 million per term
Discretionary	Nu. 100,000 per annum	Nu. 100,000 per annum

Annexure 10: Allowances and Benefits for Constitutional Offices

Allowance	Existing	Recommendation
House Rent	Rent free accommodation or 20% of minimum pay scale	Rent free accommodation or 30% of minimum pay scale
Communication	Holders of Constitutional Bodies at Nu. 1,500 per month and Members/Commissioners at Nu. 1,000 per month	Holders of Constitutional Bodies at Nu. 2,000 per month and Members/Commissioners at Nu. 2,000 per month
Designated vehicle	Chauffer driven Car	Chauffer driven Car
Discretionary	Nu. 200,000 per annum for Chief Justice of Supreme Court and NONE for other Holders/Members /Commissioners	Nu. 200,000 per annum for Chief Justice of Supreme Court and NONE for other Holders/Members /Commissioners
Domestic Help	Nu. 7,500 with other benefits (1 person) for the Holders of the Constitutional Bodies	At par with ESP level
Water & Electricity	Actual for Chief Justice of Supreme Court and NONE for other Holders /Members /Commissioners	Actual for Chief Justice of Supreme Court and maximum limit of Nu. 3000 per month for Heads of Constitutional Offices.
Vehicle Import Quota per term	One quota of limit Nu. 8,00,000 per term	One quota exempted from sales tax & customs duty
Special Responsibility	Nil	Nu.12,800 per month for Heads & Nu.6,700 per month for Commissioners/Members of the Constitutional Offices of ACC, ECB, RAA and RCSC

Annexure 11: Allowances and Benefits for Local Government

Allowance	Existing	Recommendation
Communication	Thrompon: Nu. 1000 Gup: Nu. 500 Mangmi: Nu. 200 Dzongkhag Thromde Thuemi: Nu. 200 Tshogpa: Nu. 100 Thromde Thuemi: Nu. 100	Thrompon: Nu. 1,000 Gup: Nu. 500 Mangmi: Nu. 200 Dzongkhag Thromde Thuemi: Nu. 200 Tshogpa: Nu. 100 Thromde Thuemi: Nu. 100
Sitting fees per session	Thrompon: Nu. 5,000 (TT) Gup: Nu. 5,000 (DT)/ Nu. 1000 (GT) Mangmi: Nu. 5,000 (DT)/ Nu. 1,000 (GT) Dzongkhag Thromde Thuemi: Nu. 5,000 Tshogpa: Nu. 1,000 (GT) Thromde Thuemi: Nu.5,000 (TT)	Thrompon: Nu. 5000 (TT) Gup: Nu. 5,000 (DT)/Nu. 1,000 (GT) Mangmi: Nu. 5,000 (DT)/Nu. 1,000 (GT) Dzongkhag Thromde Thuemi: Nu. 5,000 Tshogpa: Nu. 1,000 (GT) Thromde Thuemi: Nu. 5,000 (TT)
Special Responsibility	DT Chairperson Nu. 6,000 Dy. Chairperson DT Nu. 3,000	DT Chairperson Nu. 6,000 Dy. Chairperson DT Nu. 3,000
Vehicle Import Quota	Nil	Nu.0.250 million in lieu of one vehicle import quota for Thrompons and Gups

Annexure 12: Allowances and Benefits for General Public Servants

Allowance	Existing	Recommendation
House Rent	Lump sum (20% of the minimum pay scale)	Lump sum amount calculated at 20% of revised minimum basic pay for public servants & 30% of revised minimum basic pay for term-based appointments
Communication	Secretaries: Nu. 1,000 per month	Secretaries: Nu. 2,000 per month
	Dzongdags: Nu. 1,000 per month	Dzongdags: Nu. 1,000 per month
	Heads of Departments: Nu. 500 per month	Heads of Departments: Nu. 1,000 per month
	Dzonggrabs/Dungpas: Nu. 500 per month	Dzonggrabs/Dungpas: Nu. 500 per month
Discretionary Allowance	Nu. 50,000 per annum for Dzongdags	Nu. 50,000 per annum for Dzongdags
Vehicle Import Quota	P3 & SS2 and above one vehicle quota of Nu. 0.80 million after every 7 years of import	One sales tax & customs duty exempted quota for term based appointments after term expires or Nu. 1.5 million in lieu of the quota and Nu. 0.250 million for P3 and SS2 above in lieu of vehicle import quota.
High Altitude	10,000-12000 feet: Nu. 2,000 per month	10,000-12000 feet: Nu. 2,000 per month
	Above 12,000 feet: Nu. 3000 per month	Above 12,000 feet: Nu. 3000 per month
Difficult Area	Nu. 2000 per Dholam of ceiling Nu. 10,000 per month	Nu. 2000 per Dholam of ceiling Nu. 10,000 per month
Cash Handling	Nu. 400 per month	Nu. 400 per month
Uniform (Dress)	Nu. 4,500 per month	Nu. 5,200 per month
Bhutan Civil Service Examination (BCSE) pre-service	Nu. 1,500 per month	Nu. 5,000 per month
Mileage	Nu. 16 per km for P Levels and Nu. 6 per km for S levels and O levels bus fare.	Nu. 10 per km for ES/P/SS & S levels. If two or more officials are travelling office to arrange transport and O levels bus fare.

Annexure 13: Ex-Country DSA (COTI)

Sl. No	Country	Existing DSA (\$)	Sl. No	Country	Existing DSA (\$)
1	Afghanistan	140	106	Libya	160
2	Albania	140	107	Lithuania	175
3	Algeria	200	108	Luxembourg	200
4	Angola	250	109	Macedonia	200
5	Anguilla	300	110	Madagascar	120
6	Antigua	230	111	Malawi	100
7	Argentina	200	112	Malaysia	130
8	Armenia	135	113	Maldives	150
9	Aruba	200	114	Mali	100
10	Australia	200	115	Malta	200
11	Austria	200	116	Mauritania	100
12	Azerbaijan	150	117	Mauritius	170
13	Bahamas	210	118	México	200
14	Bahrain	200	119	Micronesia	100
15	Bangladesh	100	120	Moldova	150
16	Barbados	195	121	Monaco	200
17	Belarus	145	122	Mongolia	150
18	Belgium	200	123	Montenegro	130
19	Belize	170	124	Montserrat	170
20	Benin	115	125	Morocco	160
21	Bermuda	200	126	Mozambique	160
22	Bolivia	130	127	Myanmar	120
23	Bosnia & Herzegovina	135	128	Namibia	100
24	Botswana	150	129	Nauru	100
25	Brazil	170	130	Nepal	120
26	British virgin island	200	131	Netherlands	200
27	Brunei	160	132	Netherlands, Antilles	200
28	Bulgaria	170	133	New Zealand	200
29	Burkina Faso	140	134	Nicaragua	120
30	Burundi	190	135	Niger	100
31	Cambodia	90	136	Nigeria	150
32	Cameroon	165	137	North Korea	170
33	Canada	200	138	Niue	100
34	Canary island	150	139	Norway	230
35	Cape Verde	150	140	Oman	160
36	Cayman Islands	200	141	Pakistan	130
37	Central African Republic	130	142	Palau	150
38	Chad	150	143	Panama	150
39	Chile	150	144	Papua New Guinea	130
40	China	160	145	Paraguay	150
41	China, Hong Kong	200	146	Peru	150
42	China, Macau	200	147	Philippines	130
43	Colombia	180	148	Poland	200
44	Comoros	200	149	Portugal	200
45	Congo	160	150	Puerto Rico	160
46	Congo Dem Rep	160	151	Qatar	160
47	Cook Islands	140	152	Romania	200
48	Costa Rica	150	153	Russian Federation	260
49	Cote d'ivoire	150	154	Rwanda	140
50	Croatia	200	155	Samoa	120
51	Cuba	200	156	Sao Tome and Principe	120
52	Cyprus	150	157	Saudi Arabia	200
53	Czech Republic	200	158	Senegal	150

Sl. No	Country	Existing DSA (\$)	Sl. No	Country	Existing DSA (\$)
54	Denmark	200	159	Serbia	160
55	Djibouti	130	160	Seychelles	200
56	Dominica	170	161	Sierra Leone	130
57	Dominica Republic	170	162	Singapore	180
58	Egypt	150	163	Slovenia	200
59	Ethiopia	100	164	Slovak Rep	170
60	Ecuador	160	165	Solomon Islands	150
61	Equatorial Guinea	160	166	Somalia	100
62	El Salvador	160	167	South Africa	160
63	Eretria	100	168	South Korea	200
64	Estonia	190	169	Spain	200
65	Fiji	190	170	Sri Lanka	130
66	Finland	210	171	St. Kitts and Nevis	150
67	France	200	172	St. Lucia	150
68	Gambia	150	173	St. Vincent Grenadines	150
69	Gabon	150	174	Sudan	160
70	Georgia	130	175	Suriname	130
71	Germany	200	176	Swaziland	100
72	Ghana	200	177	Sweden	230
73	Gibraltar	150	178	Switzerland	220
74	Greece	200	179	Syrian Arab Republic	160
75	Greenland	200	180	Taiwan	165
76	Grenada	200	181	Tajikistan	140
77	Guam	180	182	Tanzania	140
78	Guatemala	140	183	Thailand	130
79	Guinea	200	184	Timor-Leste	100
80	Guinea Bissau	160	185	Togo	100
81	Guyana	160	186	Tokelau	75
82	Haiti	150	187	Tonga	150
83	Honduras	150	188	Trinidad & Tobago	150
84	Hungary	200	189	Turkey	200
85	Iceland	230	190	Tunisia	145
86	India		191	Turkmenistan	150
87	Indonesia	160	192	Turks & Caicos Island	150
88	Iran	160	193	Tuvalu	100
89	Iraq	120	194	Uganda	135
90	Ireland	200	195	Ukraine	200
91	Israel	200	196	United Arab Emirates	210
92	Italy	200	197	United Kingdom	220
93	Jamaica	200	198	USA	200
94	Japan	300	199	Uruguay	180
95	Jordan	160	200	Uzbekistan	120
96	Kazakhstan	160	201	Vanuatu	160
97	Kenya	160	202	Venezuela	200
98	Kiribati	100	203	Vietnam	100
99	Kuwait	200	204	Virgin Island USA	200
100	Kyrgyzstan	140	205	West Bank	130
101	Lao	100	206	Yemen	100
102	Latvia	200	207	Yugoslavia	160
103	Lebanon	160	208	Zambia	100
104	Lesotho	100	209	Zimbabwe	100
105	Liberia	160			

Annexure 14: Foreign Allowance (FA) and Representational Grant (RG)

Foreign Allowance (in USD)																	
Sl. No	Tilte/Positions	Geneva		Brussels		New York		Kuwait		Bangkok		Dhaka		Delhi		Kolkata/Guwahati	
		Existing	Revised	Existing	Revised												
1	Ambassador /Head	4,842	4,842	3,689	4,058	2,390	2,900	1,990	2,587	1,810	2,534	1,510	2,114	1,510	3,020	1,510	2,114
2	Ex Level	3,359	3,359	2,559	2,815	1,820	2,000	1,520	1,976	1,380	1,932	1,150	1,610	1,150	2,300	1,150	1,610
3	P1	3,359	3,359	2,559	2,815	1,650	2,000	1,380	1,794	1,250	1,750	1,040	1,456	1,040	2,080	1,040	1,456
4	P2	3,037	3,037	2,314	2,545	1,510	1,820	1,250	1,625	1,140	1,596	950	1,330	950	1,900	950	1,330
5	P3	3,037	3,037	2,314	2,545	1,510	1,820	1,250	1,625	1,140	1,596	950	1,330	950	1,900	950	1,330
6	P4	2,766	2,766	2,107	2,318	1,370	1,660	1,140	1,482	1,040	1,456	860	1,204	860	1,720	860	1,204
7	P5	2,766	2,766	2,107	2,318	1,370	1,660	1,140	1,482	1,040	1,456	860	1,204	860	1,720	860	1,204
8	S1 – S2	-	-	-	-	-	-	-	-	-	-	555	777	555	960	555	890
9	S3	-	-	-	-	-	-	-	-	-	-	510	672	510	960	480	770
10	S4	-	-	-	-	-	-	-	-	-	-	480	630	480	960	450	720
11	S5	-	-	-	-	-	-	-	-	-	-	450	588	450	960	420	670
12	O level	-	-	-	-	-	-	-	-	-	-	420	567	420	-	-	-

Annexure 15: Representational Grant (in USD)

Representational Grant (in USD)																	
Sl. No	Title/Positions	Geneva		Brussels		New York		Kuwait		Bangkok		Dhaka		Delhi		Kolkata/Guwahati	
		Existing	Revised	Existing	Revised												
1	Ambassador/Head	1,258	1,384	1,030	1,134	1,030	1,250	860	1,030	780	1,092	650	910	650	1,300	650	910
2	Ex Level	562	619	419	461	460	510	450	540	350	490	290	406	290	580	290	406
3	P1	511	562	419	461	420	510	380	460	320	448	270	378	270	540	270	378
4	P2	470	517	386	425	380	460	320	380	290	406	240	336	240	480	240	336
5	P3	470	517	386	425	380	460	320	380	290	406	240	336	240	480	240	336
6	P4	429	472	352	387	350	420	290	350	260	364	220	308	220	440	220	308
7	P5	429	472	352	387	350	420	290	350	260	364	220	308	220	440	220	308

Annexure 16: Rental Ceiling

Position	Title/Designation	Geneva (CHF)		Brussels (Euro)		USA (USD)		Kuwait (USD)		Bangkok (USD)		Dhaka (USD)		Kolkata/Guwahati (INR)	
		Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised	Existing	Revised
EX2	Ambassador / Permanent Representative	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
Ex-3 to P1	Dy. Chief of Mission/Dy. Permanent Representative/Minister Counsellor/ Consul General	3,000	3,300	1,750	1,925	4,000	4,400	3,500	3,850	1,000	1,100	600	880	25,000	27,500
P2-P3	Counsellor/ Dy. Consul General/First Secretary / Consul	3,000	3,300	1,750	1,925	4,000	4,400	3,500	3,850	1,000	1,100	600	880	25,000	27,500
P4-P5	Second Secretary / Vice Consul/Third Secretary/Consular Officer	3,000	3,300	1,750	1,925	4,000	4,400	3,500	3,850	1,000	1,100	600	880	25,000	27,500
S1-O5	Non-Diplomats Staff	-	-	-	-	-	-	-	-	-	-	300	440	-	-

Annexure 17: Pay Scale of Local Recruits

Embassy	Position	Strength	Existing			Revision		
			Min.	Incr.	Max.	Min.	Incr.	Max.
Geneva (CHF)	Personal Secretary	1	3,858	124	6,090	4,245	125	6,120
	Adm. Assistant	1	3,072	116	5,392	3,380	100	4,880
	Driver	2	2,703	107	5,378	2,975	90	4,325
Brussels (Euro)	Personal Secretary	1	2,546	82	4,019	2,800	85	4,075
	Adm. Assistant	-	2,028	77	3,559	2,230	65	3,205
	Driver	2	1,784	71	3,549	1,960	60	2,860
New York (USD)	Personal Secretary	2	1,960	55	2,510	2,155	65	3,130
	Adm. Assistant	1	1,680	50	2,180	1,850	55	2,675
	Driver	5	1,400	40	1,800	1,540	45	2,215
Kuwait (USD)	Personal Secretary	1	1,680	50	2,180	1,850	55	2,675
	Adm. Assistant	-	1,680	50	2,180	1,850	55	2,675
	Driver	2	1,400	40	1,800	1,540	45	2,215
Bangkok (USD)	Personal Secretary	1	650	20	850	780	25	1,155
	Office Assistant	3	460	15	610	550	15	775
	Driver/ Messenger/Guard	7	300	10	450	360	10	510
Dhaka (USD) Position to be identified	S1	-	420	8	520	460	15	685
	S2	-	380	10	480	420	15	645
	S3	-	355	10	435	390	10	540
	S4	-	290	10	390	320	10	470
	S5	-	265	10	365	290	10	440
	O1	-	245	10	345	270	10	420
	O2	-	224	5	274	245	5	320
	O3	-	196	5	246	215	5	290
	O4	3	182	5	232	200	5	275
	GSP I	2	168	5	218	185	5	260
GSP II	1	154	5	204	170	5	245	
ESP	3	154	5	204	170	5	245	
Delhi (INR)	S1	2	16,365	325	21,240	19,315	390	25,165
	S2	-	14,830	295	19,255	17,500	350	22,750
	S3	1	13,550	270	17,600	15,990	320	20,790
	S4	1	12,025	240	15,625	14,190	285	18,465
	S5	1	11,125	225	14,500	13,130	265	17,105
	O1	-	10,725	215	13,950	12,980	260	16,880
	O2	-	10,075	200	13,075	12,195	245	15,870
	O3	3	9,155	185	11,930	11,080	225	14,455
	O4	7	8,505	170	11,055	10,295	210	13,445
	GSP I	4	8,080	170	11,055	9,465	190	12,315
	GSP II	4	7,695	160	10,480	9,465	190	12,315
ESP	-	7,000	155	10,020	9,000	180	11,700	
Kolkata (INR)	S1	-	16,365	325	21,240	19,315	390	25,165
	S2	1	14,830	295	19,255	17,500	350	22,750
	S3	-	13,550	270	17,600	15,990	320	20,790
	S4	1	12,025	240	15,625	14,190	285	18,465
	S5	1	11,125	225	14,500	13,130	265	17,105
	O1	2	10,725	215	13,950	12,980	260	16,880
	O2	-	10,075	200	13,075	12,195	245	15,870
	O3	-	9,155	185	11,930	11,080	225	14,455
	O4	5	8,505	170	11,055	10,295	210	13,445
	GSP I	-	8,080	170	11,055	9,465	190	12,315
	GSP II	1	7,695	160	10,480	9,465	190	12,315
ESP	6	7,000	155	10,020	9,000	180	11,700	
LTO, Kolkata	S1	2	16,365	325	21,240	19,315	390	25,165
	O1	3	10,725	215	13,950	12,980	260	16,880
	GSP I	4	8,080	170	11,055	9,465	190	12,315
	ESP	2	7,000	155	10,020	9,000	180	11,700
Guwahati	S1	5	16,365	325	21,240	19,315	390	25,165

Annexure 18: Lump sum Personal Effects Allowance on Transfer from HQ

Sl.No	Title / Position	New York	Brussels	Geneva	Kuwait	BKK	Dhaka	New Delhi	Kolkata
	Currency	USD	EURO	CHF	USD	USD	USD	INR	INR
1	Head of Mission/Ambassador	1,750	2,250	2,100	2,000	600	250	21,500	12,500
2	Diplomat (EX III/P1)	1,750	2,250	2,100	2,000	600	250	21,500	12,500
3	Diplomat (P2-P3)	1,750	2,250	2,100	2,000	600	250	21,500	12,500
4	Diplomat (P4-P5)	1,750	2,250	2,100	2,000	600	250	21,500	12,500
5	Non-Diplomatic Staff (S1-S5)	-	-	-	1,000	300	125	10,750	6,250
6	Non-Diplomatic Staff (O1-O4)	-	-	-	1,000	300	125	10,750	6,250

Annexure 19: Lump sum Personal Effects Allowance to HQ

Sl. No	Title / Position	New York	Brussels	Geneva	Kuwait	Bangkok	Dhaka	New Delhi	Kolkata
	Currency	USD	EURO	CHF	USD	USD	USD	INR	INR
1	Head of Mission/Ambassador	5,500	3,000	3,650	2,200	2,750	1,250	63,000	40,000
2	Diplomat (EX III/P1)	5,500	3,000	3,650	2,200	2,750	1,250	63,000	40,000
3	Diplomat (P2-P3)	5,500	3,000	3,650	2,200	2,750	1,250	63,000	40,000
4	Diplomat (P4-P5)	5,500	3,000	3,650	2,200	2,750	1,250	63,000	40,000
5	Non-Diplomatic Staff (S1-S5)				1,100	1,350	600	32,000	20,000
6	Non-Diplomatic Staff (O1-O4)				1,100	1,350	600	32,000	20,000

Note: In case of transfer from one Mission to another Mission directly, the applicable amount for transfer from Headquarters to Mission shall apply.

Annexure 20 : Lump sum Home Leave Passage Allowance

Sl. No	Title / Position	New York	Brussels	Geneva	Kuwait	BKK	Dhaka	New Delhi	Kolkata
	Currency	USD	EURO	CHF	USD	USD	USD	INR	
1	Head of Mission/Ambassador	2,000	2,000	2,000	1,000	400	250	20,000	10,000
2	Diplomat (EX III/P1)	2,000	2,000	2,000	1,000	400	250	20,000	10,000
3	Diplomat (P2-P3)	2,000	2,000	2,000	1,000	400	250	20,000	10,000
4	Diplomat (P4-P5)	2,000	2,000	2,000	1,000	400	250	20,000	10,000
5	Non-Diplomatic Staff (S1-S5)				1,000	400	250	20,000	10,000
6	Non-Diplomatic Staff (O1-O4)				1,000	400	250	20,000	10,000

Annexure 21: Lump sum Furniture Allowance

Sl. No.	Title / Position	New York	Brussels	Geneva	Kuwait	Bangkok	South Asia
	Currency	USD	EURO	CHF	USD	USD	USD
1	Head of Mission/Ambassador	-	-	-	-	-	-
2	Diplomat (EX III/P1)	5,000	5,000	5,000	5,000	3,000	2,000
3	Diplomat (P2-P3)	5,000	5,000	5,000	5,000	3,000	2,000
4	Diplomat (P4-P5)	5,000	5,000	5,000	5,000	3,000	2,000
5	Non-Diplomatic Staff (S1-S5)	-	-	-	2,500	1,500	1,000
6	Non-Diplomatic Staff (O1-O4)	-	-	-	-	1,500	1,000

Note: One-time lump sum allowance for unfurnished rented accommodation only.

Annexure 22: Mileage Rates

	Geneva/ Brussels	New York	Kuwait	Bangkok	Dhaka	Delhi/ Kolkata
Existing rate per km	USD 0.50	USD 0.50	USD 0.50	USD 0.50	USD 0.25	Rs.15.00
Revised rate per km	USD 0.50	USD 0.50	USD 0.50	USD 0.50	USD 0.25	Rs.16.00

Annexure 23: Utility Expenses

	Geneva (CHF)	Brussels (EURO)	New York (USD)	Kuwait (USD)	Bangkok (Bhat)	Dhaka (Taka)	Delhi/ Kolkata/ Guwahati (INR)
Monthly Residential phone/mobile							
Head of Mission/ Embassy/ Consulate General	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Diplomat/ Attaché	110	70	90	40	5,000	5,000	3,000
All Staff	30	30	50	25	1,500	2,500	800
Monthly Internet/cable							
Head of Mission/ Embassy/ Consulate General	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Diplomat/ Attaché	130	60	140	20	4,000	2,000	1,500
All Staff	50	60	80	15	1,500	2,000	1,250
Water, Electricity & Gas							
Head of Mission/ Embassy/ Consulate General	Actual	Actual	Actual	Actual	Actual	Actual	Actual

Annexure 24: Lump sum Professional Allowance for Medical and Clinical Staff

		Existing						Recommendation (Nu.)						
Positions	Medical and Dental Specialists with Master degree and above in their professions	General Doctors with MBBS/Dentists with BDS but less than Master Degree and practicing Drungtshos			Nurses with first degree, diploma certificates and above clinical staff			Medical and Dental Specialists with Master degree and above in their professions	General Doctors with MBBS/Dentists with BDS but less than Master Degree and practicing Drungtshos			Nurses with first degree, diploma certificates and above clinical staff		
		Number of Year	Not Applicable	(0-5) years	(6-10) years	(above 10) years	(0-5) years		(6-10) years	(above 10) years	Not Applicable	(0-5) years	(6-10) years	(above 10) years
EX/ES-1	21,830	10,915	13,645	16,375	5,460	8,185	10,915	25,110	12,555	15,695	18,830	6,275	9,415	12,555
EX/ES-2	18,315	9,155	11,445	13,735	4,580	6,870	9,155	21,065	10,530	13,165	15,800	5,265	7,900	10,530
EX/ES-3	15,480	7,740	9,675	11,610	3,870	5,805	7,740	17,805	8,900	11,130	13,355	4,450	6,675	8,900
P1	12,395	6,200	7,750	9,295	3,100	4,650	6,200	14,380	7,190	8,990	10,785	3,595	5,395	7,190
P2/SS1	10,950	5,475	6,845	8,210	2,735	4,105	5,475	12,700	6,350	7,940	9,525	3,175	4,765	6,350
P3/SS2	9,600	4,800	6,000	7,200	2,400	3,600	4,800	11,135	5,570	6,960	8,350	2,785	4,175	5,570
P4/SS3	8,550	4,275	5,345	6,410	2,135	3,205	4,275	9,915	4,960	6,200	7,435	2,480	3,720	4,960
P5/SS4	7,000	3,500	4,375	5,250	1,750	2,625	3,500	8,120	4,060	5,075	6,090	2,030	3,045	4,060
S1					1,635	2,455	3,275					1,930	2,900	3,865
S2					1,485	2,225	2,965					1,750	2,625	3,500
S3					1,355	2,035	2,710					1,600	2,400	3,200
S4					1,205	1,805	2,405					1,420	2,130	2,840
S5					1,115	1,670	2,225					1,315	1,970	2,625
O1					1,075	1,610	2,145					1,300	1,945	2,595
O2					1,010	1,510	2,015					1,220	1,830	2,440
O3					915	1,375	1,830					1,110	1,660	2,215
O4					850	1,275	1,700					1,030	1,545	2,060

Annexure 25: Lump sum Professional Allowance for Teachers

Positions	Existing			Recommended (Nu.)
	(0-5) years	(6-10) years	(above 10) years	
EX/ES-1	5,460	8,185	10,915	12,555
EX/ES-2	4,580	6,870	9,155	10,530
EX/ES-3	3,870	5,805	7,740	8,900
P1	3,100	4,650	6,200	7,190
P2/SS1	2,735	4,105	5,475	6,350
P3/SS2	2,400	3,600	4,800	5,570
P4/SS3	2,135	3,205	4,275	4,960
P5/SS4	1,750	2,625	3,500	4,060
S1	1,635	2,455	3,275	3,865
S2	1,485	2,225	2,965	3,500
S3	1,355	2,035	2,710	3,200
S4	1,205	1,805	2,405	2,840
S5	1,115	1,670	2,225	2,625

Annexure 26: Lump sum Professional Allowance for Royal Audit Authority (RAA) Staff

Positions	Existing	Recommended
EX/ES-1	10,915	No Change
EX/ES-2	9,155	
EX/ES-3	7,740	
P1	6,200	
P2/SS1	5,475	
P3/SS2	4,800	
P4/SS3	4,275	
P5/SS4	3,500	
S1	3,275	
S2	2,965	
S3	2,710	
S4	2,405	
S5	2,225	
O1	2,145	
O2	2,015	
O3	1,830	
O4	1,700	
GSP I	1,615	
GSP II	1,540	
ESP	1,400	

Annexure 27: Lump sum Professional Allowance for Anti-Corruption Commission (ACC) Staff

Positions	Existing		Recommendation	
	Investigator	Other ACC Staff	Investigator	Other ACC Staff
EX/ES-1	24,560	10,915	No Change	No Change
EX/ES-2	20,605	9,155		
EX/ES-3	17,415	7,740		
P1	13,945	6,200		
P2/SS1	12,315	5,475		
P3/SS2	10,800	4,800		
P4/SS3	9,615	4,275		
P5/SS4	7,875	3,500		
S1	7,365	3,275		
S2	6,675	2,965		
S3	6,100	2,710		
S4	5,410	2,405		
S5	5,005	2,225		
O1		2,145		
O2		2,015		
O3		1,830		
O4		1,700		
GSP I		1,615		
GSP II		1,540		
ESP		1,400		

Annexure 28: Lump sum Professional Allowance for Internal Auditors

Positions	Existing	Recommended
EX/ES-1	10,915	No change
EX/ES-2	9,155	
EX/ES-3	7,740	
P1	6,200	
P2/SS1	5,475	
P3/SS2	4,800	
P4/SS3	4,275	
P5/SS4	3,500	
S1	3,275	
S2	2,965	
S3	2,710	
S4	2,405	
S5	2,225	

Annexure 29: Annual Expenditure of Pay & Allowances (in Ngultrum)

Sl.No	Description	Existing (FY 2018-19)	Recommendation FY 2019-20	Net Implication	% Share	% change
I	Pay	7,551,587,640	8,813,825,467	1,262,237,827	30%	17%
II	Housing Allowances	1,399,471,440	1,724,256,960	324,785,520	8%	23%
III	Provident fund	820,347,050	986,588,565	166,241,515	4%	20%
IV	Professional Allowance	777,136,002	1,083,058,405	305,922,404	7%	39%
1	Education	273,745,055	400,401,305	126,656,250	3%	46%
2	Health	159,164,429	271,811,390	112,646,961	3%	71%
3	RAA	12,589,296	12,589,296	-	-	-
4	ACC	10,370,337	10,370,337	-	-	-
5	Internal Audit	2,063,100	2,063,100	-	-	-
6	Civil Aviation	2,058,840	2,058,840	-	-	-
7	RBP	105,475,680	105,475,680	-	-	-
8	Foreign Service	211,669,264	277,671,561	66,002,297	2%	31%
9	Heads/Members of Constitutional office	-	616,896	616,896	-	100%
V	Other Allowances	232,280,831	732,764,093	500,483,261	12%	215%
1	Voucher	7,795,200	8,161,200	366,000	-	5%
2	Vehicle maintenance & fuel	4,872,000	6,960,000	2,088,000	-	43%
3	Driver allowance	4,176,000	6,960,000	2,784,000	-	67%
4	Domestic helper	3,960,000	5,443,200	1,483,200	-	37%
5	Electricity	1,152,000	1,152,000	-	-	-
6	Special responsibility	2,160,000	2,160,000	-	-	-
7	Cash handling	24,316,800	24,316,800	-	-	-
8	Red scarf	12,000	12,000,000	11,988,000	-	100%
9	Overtime allowance	60,234,431	73,584,893	13,350,461	-	22%
10	Difficulty allowance	28,008,000	14,004,000	-14,004,000	-	-50%
11	High altitude allowance	57,672,000	57,672,000	-	-	-
12	Discretionary	25,500,000	25,500,000	-	-	-
13	Monetization vehicle quota	-	483,250,000	483,250,000	11%	100%
14	One-time Vehicle Purchase	11,600,000	11,600,000	-	-	-
15	One-time Mobile Purchase	822,400	-	-822,400	-	-
VI	Performance Based Incentive	-	881,382,547	881,382,547	21%	100%
VII	7% of Additional Provident Fund	-	575,952,188	575,952,188	14%	100%
VIII	TA/DA	1,613,999,305	1,613,999,305	-	-	-
IX	LTC	486,000,695	512,350,469	26,349,774	1%	5%
X	Leave Encashment	629,298,970	734,485,456	105,186,486	2%	17%
XI	Gratuity	536,864,230	626,600,372	89,736,142	2%	17%
XII	Total Pay & Allowances Expenditure	14,046,986,163	18,285,263,825	4,238,277,662	100%	30%

Abbreviations

4PC	4th Pay Commission	M2	Money Supply
ADB	Asian Development Bank	MaX	Managing for Excellence
AO	Airworthiness Officer	MBps	Megabits per second
APA	Annual Performance Agreements	MFA	Ministry of Foreign Affairs
APT	Annual Performance Targets	MFCC	Macroeconomic Fiscal Framework Coordination Committee
BCAA	Bhutan Civil Aviation Authority	MHP	Mangdechhu Hydro Power
BCCI	Bhutan Chamber of Commerce & Industry	MoE	Ministry of Education
BCSE	Bhutan Civil Service Examination	MoF	Ministry of Finance
BCSR	Bhutan Civil Service Commission	MoH	Ministry of Health
BLSS	Bhutan Living Standard Survey	MoHCA	Ministry of Home & Cultural Affairs
BPC	Bhutan Power Corporation	MoIC	Ministry of Information & Communication
BPST	Bhutan Professional Standards for Teachers	MoWHS	Ministry of Works and Human Settlement
CBS	Centre for Bhutan Studies	MP	Members of Parliament
CEA	Children Education Allowance	NA	National Assembly
CIF	Cost, Insurance and Freight	NBFI	Non-Bank Financial Institution
COLA	Cost of Living Adjustment	NC	National Council
COTI	Countries Other Than India	NCOs	Non-Commissioned Officers
CPI	Consumer Price Index	NEC	National Environment Commission
DA	Daily Allowance	NFA	Net Foreign Assets
DCA	Department of Civil Aviation	NFE	Non- Formal Education
DDC	Dzongkha Development Commission	NHDCL	National Housing Development Corporation Limited
DHI	Druk Holding & Investment	NLC	National Land Commission
DMEA	Department of Macroeconomic Affairs	NOM	National Order of Merit
DNB	Department of National Budget	NPL	National Poverty Line
DoAT	Directorate of Services	NPPF	National Pension and Provident Fund
DoS	Directorate of Services	NSB	National Statistical Bureau
DSA	Daily Subsistence Allowance	NTC	National Technical Committee

ECB	Election Commission of Bhutan	OAG	Office of the Attorney General
ECCD	Early Childhood Care and Development	OCP	Office of Consumer Protection
EMIs	Equated Monthly Installments	ODA	Official Development Assistance
ESP	Elementary Support Personnel	OECD	Organization for Economic Co-operation and Development
FA	Foreign Allowance	OT	Operation Theater
FOO	Flight Operation Officer	PBI	Performance Based Incentives
FSE	Foreign Service Entitlement	PF	Provident Fund
FSERR	Foreign Service Entitlement Rules & Regulations	PHCB	Population and Housing Census of Bhutan
FYP	Five Year Plan	PIT	Personal Income Tax
GDP	Gross Domestic Product	PPD	Policy & Planning Division
GIS	Group Insurance Scheme	PPP	Public-Private-Partnership
GNH	Gross National Happiness	RAA	Royal Audit Authority
GPMS	Government Performance Management System	RAPA	Royal Academy of Performing Arts
GSP	General Support Personnel	RBA	Royal Bhutan Army
GST	Goods & Services Tax	RBG	Royal Body Guards
H&E	Hospitality & Entertainment	RBP	Royal Bhutan Police
HR	Human Resource	RCSC	Royal Civil Service Commission
ICU	Intensive Care Unit	RGoB	Royal Government of Bhutan
ISP	Internet Service Provider	RG	Representational Grant
JDWNRH	Jigme Dorji Wangchuck National Referral Hospital	RICBL	Royal Insurance Corporation of Bhutan Ltd.
JSWSL	Jigme Singye Wangchuk School of Law	RIM	Royal Institute of Management
KGUMSB	Khesar Gyalpo University of Medical Science of Bhutan	RMA	Royal Monetary Authority
LE	Leave encashment	RUB	Royal University of Bhutan
LED	Light Emitting Diode	SDF	Sustainable Development Fee
LG	Local Government	TA	Travelling Allowance
LTC	Leave Travel Concession	TDS	Tax Deducted at Source
LTO	Liaison and Transit Office		

28. Agencies/Person Consulted & Proposal Submitted by Agencies

I	Agencies Consulted
1	Anti-Corruption Commission
2	Druk Holding & Investment
3	Government Performance Management Division
4	Judiciary
5	Ministry of Health
6	Ministry of Education
7	Ministry of Foreign Affairs
8	Ministry of Labor & Human Resources
9	National Pension and Provident Fund
10	Office of the Consumer Protection, Ministry of Economic Affairs
11	Office of Attorney General
12	Royal Civil Service Commission
13	Royal University of Bhutan
14	Royal Audit Authority
15	Yangphel Group of Companies Pvt. Ltd.
II	Proposals Submitted by Agencies
1	Bhutan Civil Aviation Authority
2	Department of Local Governance, Ministry of Home and Cultural Affairs
3	Khesar Gyalpo University of Medical Sciences of Bhutan
4	National Committee for Parliamentary Entitlements
5	National Housing Development Corporation Ltd.
6	Royal Institute of Management
III	Regional Consultation
1	Mrs. Meena Agarwal, Director, National Institute for Faridabad (former Member Secretary to the 7 th Pay Commission to the Government of India)