

GOVERNMENT OF PAKISTAN
FINANCE DIVISION
(Regulations Wing)

F.No.14(1)R-3/2021- 90

Islamabad, the 3rd March, 2021

OFFICE MEMORANDUM


Subject:- GRANT OF DISPARITY REDUCTION ALLOWANCE

The undersigned is directed to convey the approval of the Federal Government for grant of Disparity Reduction Allowance @ 25% of the basic pay of Basic Pay Scales 2017 w.e.f. 1st March 2021. This allowance shall be admissible to civil employees in BPS 1-19 of the Federal Government, (including employees of the Federal Secretariat and attached departments), who have never been allowed additional allowance/allowances equal to or more than 100% of the basic pay (whether frozen or not) or performance allowance subject to the following conditions:

- a) This Allowance will not be admissible to the employees of the organizations as mentioned in **Annexure-I** and those employees who are drawing additional allowance/allowances equal to or more than 100% of the basic pay(whether frozen or otherwise);
- b) This allowance will be frozen at the level drawn on 1st March 2021
- c) This Allowance will be subject to Income Tax;
- d) This Allowance will be admissible during leave and entire period of L.P.R. except during extra ordinary leave;
- e) This Allowance will not be treated as part of emoluments for the purpose of calculation of Pension/Gratuity and recovery of House Rent;
- f) This Allowance will not be admissible to the employees during the tenure of their posting/deputation abroad;
- g) This Allowance will be admissible to the employees on their repatriation from posting/deputation abroad at the rate and amount which would have been admissible to them, had they not been posted abroad;
- h) This Allowance will be admissible during the period of suspension;
- i) The term "Basic Pay" will also include the amount of Personal Pay granted on account of annual increment (s) beyond the maximum of the existing pay scales.

2. All the Principal Accounting Officers and Heads of the departments are requested to ensure the compliance of this O.M in letter and spirit.

3. Any issues arising out of the implementation of Disparity Reduction Allowance will be resolved by a committee notified vide Finance Division O.M.No.F.14(1)R-3/2021- 91 dated 3rd March 2021.


(Muhammad Shahid Ahmed Ch.)
Deputy Secretary (R-I)

ALL MINISTRIES/DIVISIONS/DEPARTMENTS

Web Administrator, Finance Division, Islamabad

(P.T.O)

Copy to:

1. President's Secretariat (Public), Islamabad.
2. President's Secretariat (Personal), Islamabad.
3. Prime Minister's Office (Public), Islamabad.
4. Prime Minister's Office (Internal), Islamabad.
5. National Assembly Secretariat, Islamabad.
6. Senate Secretariat, Islamabad.
7. Election Commission of Pakistan, Islamabad.
8. Supreme Court of Pakistan, Islamabad.
9. Federal Shariat Court, Islamabad.
10. Auditor General of Pakistan, Islamabad.
11. Controller General of Accounts, Islamabad.
12. AGPR, Islamabad/Lahore/Peshawar/Karachi/Quetta.
13. Military Accountant General, Rawalpindi.
14. All JS(expenditure / DS Expenditure) attached to Ministries/ Divisions etc and all officers of Finance Division.
15. Chief Accounts Officer, M/o Foreign Affairs, Islamabad.
16. All Chief Secretaries/Finance Secretaries of the Government of Punjab/Sindh/Khyber Pakhtunkhwa/Balochistan/Azad State of Jammu & Kashmir and Gilgit Baltistan with the recommendation to consider adopting the proposed disparity allowance for their employees to be funded from provinces own resources.
17. Federal Public Service Commission, F-5/1, Agha Khan Road, Islamabad.
18. Secretary, Wafaqi Mohtasib (Ombudsman)'s Secretariat, Islamabad.
19. Central Directorate of National Savings, Islamabad.
20. National Accountability Bureau, Islamabad.
21. Intelligence Bureau, Islamabad.
22. Pakistan Mint, Lahore.
23. Dte.Gen, Pakistan Post, Islamabad.
24. Secretariat Training Institute, Islamabad.
25. Directorate General of Inspection & Training, Customs & Central Excise, 8th Floor, New Customs House, Karachi.
26. Federal Tax Ombudsman's Secretariat, Islamabad.


(Muhammad Shahid Ahmed Ch.)
Deputy Secretary (R-I)