

**GOVERNMENT OF PAKISTAN**  
**FINANCE DIVISION**  
(Regulations Wing)

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F.No.2(1)R-4/2022-P-001

Islamabad, 20<sup>th</sup> June, 2025.

**OFFICE MEMORANDUM**

Subject: **POLICY FOR GRANT OF HONORARIUM**

The undersigned is directed to refer to Finance Division's O.M. No.2(1)R-4/2022-P-001, dated 13.06.2025 and to state that Finance Division is in receipt of number of queries from Ministries/Divisions/Departments etc. regarding application of subject policy approved by Federal Cabinet in Case No.362/Rule-19/2025/531 dated 10.06.2025 and ECC in case No. 93/13/2025 dated 02-06-2025. It is clarified that grant of honoraria to employees of Federal Government, is to be applied as follows:

2. **Types of honorarium**

There shall be following types of honoraria:

1. Ordinary honorarium
2. Performance honorarium
3. Budget honorarium

3. **Ordinary honorarium**

The Principal Accounting Officers (PAOs) are authorized to grant the year-end Ordinary Honorarium equal to one basic pay to all employees in BPS 1-22, except themselves.

4. **Performance honorarium**

- a. Performance honorarium will be granted based on overall appreciable performance during the course of a financial year and will be in addition to Ordinary Honorarium.
- b. The PAOs are authorized to grant performance honorarium to be called Outstanding Performance Honorarium except themselves.
- c. A list of outstanding performers shall be prepared. The strength of that list will be 35% of the total number of employees in BPS 1-22, posted in a particular organization/office mentioned at para-7. Outstanding Performance Honorarium will be granted in following manner:
  - i. Top 10% outstanding performers of the aforementioned list will be eligible for performance honorarium up to two month's basic pay.
  - ii. Next 25% outstanding performers of the aforementioned list will be eligible for performance honorarium up to one month's basic pay.



- d. The employees attached with the Ministries/Divisions from other departments to perform services may be granted both "Ordinary Honorarium and "Performance Honorarium" by the PAO in addition to the 35% of the employees above.
- e. Each office indicated at para-7 shall constitute a Committee with necessary representation of Finance Division through concerned Joint Secretary(Expenditure) as Member of the Committee. Performance honorarium will be granted on the recommendations of that committee.

5. **Budget honorarium**

Budget honorarium will be granted in the following manner:

- a. Budget honorarium will be granted to Divisions/ Offices involved in budget making exercise of the Federal Government.
- b. Only the employees posted in Finance Division, Revenue Division, Federal Board of Revenue, Planning, Development and Special Initiatives Division, National Assembly Secretariat, Senate Secretariat and Prime Minister's Office shall be eligible for grant of budget honorarium.
- c. The quantum of budget honorarium for each financial year and for each of the above Ministries/Divisions/Offices shall be decided by the Finance Minister.

6. **General provisions**

Following shall be the General Provisions to regulate the grant of honorarium:

- a. No honorarium shall be paid in cash and all honorarium payments have to be reflected in payroll statements.
- b. Taxation of honorarium will be on the lines of taxation of Transport Monetization Allowance.
- c. Performance honorarium shall not be granted to an employee if the employee has served in such Ministry/Division for less than six month.
- d. No honorarium, except for Outstanding Performance Honorarium, shall be granted before 1st May in any financial year.
- e. Employees who have received or likely to receive Budget Honorarium shall not be eligible for grant of Ordinary and Performance Honorarium.
- f. If Ordinary and Performance Honorarium has already been granted to an employee who is being granted Budget Honorarium, the amount of Budget Honorarium shall be adjusted against the already drawn Performance Honorarium.
- g. No employee will receive honorarium from more than one organizations/ offices.



- h. Except for the honoraria specified in this policy, no other honoraria shall be granted, including those associated with religious festivals such as Eid and Christmas.
- i. The PAOs honorarium, if any, shall be subject to the approval of the Minister in-charge of the Ministry/Division.
- j. In case of any ambiguity in the implementation of the policy, Finance Division shall provide necessary clarification.

7. This Policy for grant of Honorarium is applicable to all Ministries/ Divisions/ Departments/ Autonomous/ Semi-autonomous bodies/ Corporate bodies/ Subordinate Offices, etc, of the Federal Government across the board.

8. Ministries/ Divisions/ Departments etc. are requested to strictly comply with this policy while recommending cases for grant of honoraria to Federal Government employees. Ministries/ Divisions are requested to circulate this policy to the offices working under their administrative control.

9. The existing instructions issued vide Finance Division's O.M No. 2(2)R-4/95-409 dated 25-04-1995 and O.M. No.2(1)R-4/2022-P-001, dated 13.06.2025 stands withdrawn.

  
(Hafsa Majeed)  
Section Officer(R-IV)

**All Ministries/Divisions/Departments of the Federal Government etc.**

Copy: Web Master, Finance Division for hosting on the official website of Finance Division.

Copy also forwarded for information to:

1. Principal Secretary to President, President's Secretariat (Public), Islamabad.
2. Principal Secretary to President, President's Secretariat (Personal), Islamabad.
3. Principal Secretary to Prime Minister, Prime Minister's Office (Internal), Islamabad.
4. Principal Secretary to Prime Minister, Prime Minister's Office (Public), Islamabad.
5. Speaker, National Assembly Secretariat, Islamabad.
6. Secretary, Senate Secretariat, Islamabad.
7. Registrar, Supreme Court of Pakistan, Islamabad.
8. Auditor General, Auditor General of Pakistan, Islamabad.
9. AGPR, Islamabad.
10. AGPR, Lahore.
11. AGPR, Peshawar.
12. AGPR, Karachi.
13. AGPR, Quetta.
14. Military Accountant General (MAG), Rawalpindi.
15. Chief Accounts Officer, M/o Foreign Affairs, Islamabad.
16. Financial Adviser and Chief Accounts Officer, Pakistan Railways, Lahore.
17. Chief Secretary Punjab, Lahore.
18. Chief Secretary Sindh, Karachi.
19. Chief Secretary Khyber Pakhtunkhwa, Peshawar.
20. Chief Secretary Balochistan, Quetta.
21. Chief Secretary Azad State of Jammu & Kashmir, Muzaffarabad.
22. Chief Secretary Gilgit-Baltistan.
23. Chairman, Capital Development Authority, Islamabad.
24. Member (Finance), KRL, P.O. Box No.1384, Islamabad.
25. Chairman, Federal Public Service Commission, F-5/1, Agha Khan Road, Islamabad.
26. Secretary, Wafaqi Mohtasib (Ombudsman)'s Secretariat, Islamabad.
27. Chairman, Pakistan Atomic Energy Commission, Islamabad.
28. Director General, Central Directorate of National Savings, Islamabad.
29. Chairman, National Accountability Bureau, Islamabad.
30. Office of the Chief Commissioner, Islamabad.
31. Director General, Intelligence Bureau, Islamabad.
32. Chairman, Pakistan Mint, Lahore.
33. Director General, Pakistan Post Offices, Islamabad.
34. Secretariat Training Institute, Islamabad.
35. Directorate General, Inspection & Training, Customs & Central Excise, 8th Floor, New Customs House, Karachi.
36. Chairman, Earthquake Reconstruction & Rehabilitation Authority (ERRA), Islamabad.
37. Chief, Cost Accounts Organization, Islamabad.
38. Chairman, Election Commission of Pakistan.

  
**(Hafsa Majeed)**  
Section Officer (R-4)