



GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE



No.1(2)R5/2022-PT-0001

Islamabad, the 21st August , 2026

OFFICE MEMORANDUM

SUBJECT: REVISION OF SPECIAL ALLOWANCE GRANTED TO THE CIVIL EMPLOYEES OF THE FEDERAL GOVERNMENT

The undersigned is directed to refer to the subject cited above and to state that the Federal Government has been pleased to enhance with effect from 1st July, 2026 and till further orders, minimum wage/ gross salary from Rs.37,000/- to Rs.40,700/- to all the Civil Employees of the Federal Government as well as the civilians paid from Defence estimates including contingent paid staff and contract employees against civil posts in Basic Pay Scales on standard terms and conditions of contract employment. Those whose gross salary is less than Rs.40,700/- shall be allowed the difference as Special Allowance.

2. The amount of Special Allowance:

- i. Will be subject to income Tax;
- ii. Will be admissible during leave and entire period of LPR except during extra ordinary leave;
- iii. Will not be treated as part of emoluments for the purpose of calculation of Pension/Gratuity and recovery of House Rent;
- iv. Will not be admissible to the employees during the tenure of their posting/deputation abroad; and
- v. 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.

3. The above Special Allowance/ increase in minimum wage shall be accommodated from within the budgetary allocation for the year 2026-2027 by the respective Ministries/ Divisions/ Departments and no supplementary grants would be given on this account

Tahir Rauf
SO (Regulation-V)