



**ROYAL CIVIL SERVICE COMMISSION  
ROYAL GOVERNMENT OF BHUTAN**

**AGREEMENT ON SERVICE TERMS AND CONDITIONS  
FOR CONTRACT EMPLOYEES**

**PART I: GENERAL CONDITIONS**

**1. Agreement**

**THIS AGREEMENT** is executed on..... (DD/MM/YYYY) between (the RCSC/Agency), Royal Government of Bhutan, hereinafter called “the employer” and Mr/Ms....., hereinafter called “the employee”.

**WHEREAS** the employer desires to engage the services of the contract employee on the terms and conditions hereinafter set forth; and

**WHEREAS** the contract employee is ready and willing to accept this engagement of service with the Government of Bhutan on these terms and conditions.

**2. Nature of Service**

The employer shall employ the employee on ..... contract and he shall serve the employer as ..... or in such other capacity/place/department as the employer may from time to time require.

**3. Duration of Agreement**

The employment hereunder shall be for a total period of ..... months commencing from the day ..... month ..... year ..... (hereinafter referred to as the contract period), subject to premature termination as hereinafter provided.

**4. Documents**

Upon joining duty in the organisation concerned, the contract employee shall send a copy of his joining report through the controlling officer concerned to the employer.

An expatriate contract employee shall produce a certificate issued by the police/local authority of the area of his home address, certifying that he is a bonafide inhabitant of that locality or a letter from an Embassy of the country of which he is a national certifying/verifying the nationality of the individual concerned or a valid passport.

The contract employee shall sign an oath of adherence to the Civil Service Values and Conduct and confidentiality in the prescribed format.

## **5. Duty**

The contract employee shall devote exclusively to duties or to such other duties as the employer shall reasonably assign to him and shall personally attend thereto at all times by day or by night (including Sundays and public holidays, if necessary) except in the case of illness or accident in which case the employee shall forthwith notify the employer of such illness or accident and shall furnish such evidence as it may require.

The contract employee shall promptly and faithfully obey, observe, and comply with all lawful orders, instructions, and directions of the employer and observe all the rules and regulations, and instructions in force for and in respect of the Government of Bhutan's property and management thereof.

## **6. Civil Service Values and Conduct**

The employee shall be bound by the Civil Service Values and Conduct prescribed in Chapter 3 of the BCSR and in particular shall:

- 6.1 At all times during the continuance of this Agreement use the best endeavours to promote the interest and welfare of the employer; and
- 6.2 Respect all the Bhutanese spiritual, traditional and cultural values and practices.

Accordingly, the employee shall conduct at all times in accordance with the BCSR.

## **7. Remuneration and Allowance**

- 7.1 The employer shall during the employment period, pay to the contract employee the pay and allowances specified in Part-II which shall be payable monthly in arrears on the last working day of every calendar month.

## **8. Leave**

- 8.1 A contract employee shall be eligible for all the following categories of leaves except EOL and the Study Leave as specified in Schedule 8/A.
  - 8.1.1 Casual Leave, Bereavement Leave, Paternity Leave, Medical Escort Leave shall be as per the Chapter 8 of the Rule.
  - 8.1.2 Maternity Leave: The employee shall be eligible for Maternity Leave as per Section 8.7 of the Rule if the employee has served a minimum of 12 months of service. However, if the employee has not completed 12 months of service before applying for the leave, she shall be eligible for three months of Maternity Leave.
  - 8.1.3 Annual Leave: The contract employee shall be entitled to 21 working days of annual leave. Such leave may be taken at any point during the fiscal year and shall not be eligible for monetary compensation or carryover to the

subsequent year.

In an academic year, a civil servant in the Teaching Profession shall be entitled full paid vacation aligned to the school vacation cycle, therefore shall not be entitled to Annual Leave.

8.1.4 Medical Leave: The employee, who has been certified as incapable of performing duties due to illness or injury shall be granted Medical Leave up to a period of one month on production of a medical certificate from a certified medical doctor in Bhutan per contract term. The HRC may grant extension based on medical reports but such extension shall not exceed 30 days inclusive of weekends and public holidays per contract term.

The employee on Medical Leave shall be entitled to Gross Pay. However, medical leave beyond one month shall be leave without pay per contract term.

If the Medical Leave exceeds two months at a time, the employer shall terminate the contract without notice whereby the employee shall be paid gratuity for the completed years of satisfactory service and repatriation benefits.

8.1.5 Medical Escort Leave: The employee shall be granted the Medical Escort Leave for a maximum period of one month to escort direct dependents. The HRC may grant extension based on medical reports but such extension shall not exceed 30 days inclusive of weekends and public holidays per contract term. The leave beyond one month shall be leave without pay per contract term.

The employee on Leave shall be entitled to Gross Pay. However, leave beyond one month shall be leave without pay per contract term.

**9.** Difficult Area Allowance, Professional Allowance, Uniform Allowance, and Radiation Allowance shall be paid to the contract employees as per Chapter 9 of BCSR 2023.

**10. Training:**

The employee shall be eligible for profession relevant STT.

**11. Medical Facility**

A contract employee and the family members shall be provided medical treatment by the Government as per the prevailing medical treatment rules.

**12. Housing**

The employee shall be eligible for house rent allowance, where admissible, as per the prevailing financial rules. However, if Government accommodation is provided, house

rent shall be deducted as per the prevailing rules.

### **13. Pension, Provident Fund, and Insurance Scheme**

Pension, Provident Fund, Government Employee Group Insurance Scheme shall be, in accordance with relevant laws and regulations.

### **14. Compensation**

In the event of death, injury, or illness attributable to the performance of service under the terms of this Agreement, the employee shall be entitled only to compensation payable under Government Employee Group Insurance Scheme admissible for the grade of his post.

### **15. Deduction**

Personal Income Tax and other statutory deductions shall be deducted according to the prevailing rules.

### **16. Terminal Benefit**

#### **16.1 Gratuity**

A contract employee shall be entitled to receive one month's last basic as gratuity for every completed year of contract service. However, for the teaching profession, every completed academic year shall be considered for the purpose of calculating gratuity.

In the event the employee initiates and terminates the contract before the expiry of the contract term, three month's notice should be given to the employer to avail the gratuity for the every completed year of contract service.

In the event the employer terminates the contract, the gratuity shall be paid for the completed year of contract service. However, when the employee's contract is terminated by the employer on ground of non-performance or misconduct or breach of contract terms and conditions, he shall not be eligible for gratuity.

In the event of the employee's death while in service, the gratuity shall be payable to the nominee(s) of the employee for the completed year of contract service.

#### **16.2 Repatriation Benefit**

16.2.1 The following repatriation benefits shall be payable to the employee only once during the entire Civil Service period, irrespective of changing the status or terms of appointment:

- i. Transfer grant according to the prevailing rules;
- ii. Travel Allowance of an amount equal to the last basic pay that the

employee is entitled to at the time of repatriation; and

- iii. Transport charge of personal effects as per the prevailing rules.

16.2.2 However, repatriation benefit shall not be permissible on the following conditions:

- i. When the employee's contract is terminated by the employer on ground of non-performance or misconduct or breach of contract terms and conditions;
- ii. When the employee initiates and terminates the contract before expiry of the initial contract term; and
- iii. When the service status is changed from contract to regular or regular to contract, except if required to travel to a new place of posting which should be as per Section 9.11 of the BCSR 2023.

## **17. Mode of Payment**

Remuneration and allowances and all other entitlements under the agreement shall be payable only in Ngultrum.

## **18. Rights and Obligations of the Employee**

- 19.1 The rights and obligations of the contract employee are strictly limited to the terms and conditions of this Agreement. Accordingly, the contract employee shall not be entitled to any benefit, payment, subsidy, compensation or entitlement, except as expressly provided in this agreement.
- 19.2 The employee shall be solely liable for claims by third parties arising from the employee's own negligent acts or commissions in the course of performing this agreement, and under no circumstances shall the Government of Bhutan be held liable for such claims by third parties.
- 19.3 The title rights, copyrights, and all other rights of whatever nature in any material produced under the provision of this agreement by the employee shall be vested exclusively with the Government of Bhutan.
- 19.4 The employee shall not, at any time during the continuance of his employment hereunder, acquire or attempt to acquire any option or concession in Bhutan for him or any other person.
- 19.5 The employee shall not draw, accept or endorse any bill on behalf of the employer or in any way pledge the credit of the employer except so far as he may have been authorised by the employer either generally or in any particular case.

## **20. Unpublished Information**

- 20.1 The contract employee shall not communicate to any person, Government, or other Agency of the Government of Bhutan any unpublished information made known to the employee by reason of his association with the Government of Bhutan except as required by this assignment or upon written authorisation by the Government of Bhutan.
- 20.2 The contract employee shall not advertise or publicise his association with the Government of Bhutan under this agreement. Nor shall the name, letterhead, emblem, or official seal of the Government of Bhutan be used for business or professional purposes or otherwise without the prior written approval of the Government of Bhutan. Such materials intended for official use by employees of the Government of Bhutan should not be permitted to come into the possession of persons who might make unauthorised use of them, and shall not be used for personal purposes. The provision shall survive the expiration or termination of this agreement.

## **21. Confidentiality and Non-competition**

The Government of Bhutan requires, and the contract employee agrees that, during the term of the employment and at any time thereafter, the contract employee shall retain in confidence and not divulge or make available without the Government of Bhutan's advance written consent to any person, firm, corporation, or entity other than the Government of Bhutan or its designee, any information whatsoever. This includes the written embodiments of the services for the Government of Bhutan, in reports, studies, or the like, acquired or developed during the term of employment, which relates to or concerns the business or operation of the Government of Bhutan or of its clients or customers.

## **22. Renewal of Contract**

Not less than six months before the date of which the contract employee's residential service in Bhutan under this Agreement is due to expire, he shall inform the employer in writing whether he desires to remain and continue in the service of the employer, who shall thereupon consider whether to re-engage the contract employee, provided that any such re-engagement shall be upon such conditions, including the duration of the new contract, as shall be agreed upon between the employer and employee.

The criteria for contract extension and renewal shall be based on Performance Rating, Availability of vacancy and Clean service record.

Any notice to be given hereunder shall be given in writing and be delivered or sent by registered post to the employer, and any complaint or application of the employee shall in the first instance be addressed to the head of the office of the employing Department/Agency.

### **23. Termination of Contract**

A contract employee shall not be indispensable to the Government of Bhutan and hence shall be liable to be removed from service at any time when the Government finds his services redundant or in violation of any of these provisions.

A minimum of three months' notice shall be issued by the party intending to terminate the contract before expiry of the term. In the event of failure to serve the notice in advance of the required period, the defaulting party shall pay to the other, the gross pay of the employee for the stipulated notice period, pro-rated on a monthly basis.

The required notice period should also be given to avail gratuity.

Notwithstanding the above clauses in the interest of the Public, HRC may withhold a voluntary resignation up to a maximum period of six months from the notified date.

### **24. Clearance Certificate**

The contract employee shall be paid his retirement benefits upon completion of his assignment under this agreement upon production of a clearance certificate from the Royal Audit Authority and the employing Agency concerned.

**Seal and Signature of Employer**

**Signature of Employee**

*Note: Employer and Employee to sign on all pages of this document*

## PART II: PAY FIXATION

1. **Position Title:**.....**Position Level:**.....
2. **Agency:**.....
3. **Period of Contract**
  - a. Initial appointment: from ..... to ..... (DD/MM/YYYY)
  - b. Renewal/Extension: from .....to..... (DD/MM/YYYY)
4. **Contract Type** (tick the relevant one): Regular      Consolidated      Special
5. **Emolument**
  - a. Basic Pay: Nu.....[Nu. (in words).....only]
  - b. Contract Allowance on monthly basic pay : (if eligible) Nu.....
  - c. Annual Increment: (if eligible) Nu. ....
6. **Other allowance** (if entitled)
  - a. Professional allowance : Nu. .... per month
  - b. House rent allowance : Nu. .... per month
  - c. Uniform allowance : Nu. .... per month
  - d. Radiation allowance : Nu. .... per month
  - e. Difficulty area allowance : Nu. .... per month
  - f. Other allowances (specify) : Nu. .... per month
    - .....
    - .....
    - .....
7. **Gross Income (5+6) :** Nu. .... per month
8. **Deductions:** All deductions such as Personal Income Tax, Health Contribution, House rent (if a Government house is allotted) shall be levied as per the prevailing rules.

**Seal and Signature of Employer**

**Signature of Employee**

### **PART III: MISCELLANEOUS**

#### **Laws**

The Agreement shall be construed according to and be governed by the laws of the Kingdom of Bhutan.

#### **Appeal**

Any appeal due to breach of any of the terms and conditions under this agreement by either employer or employee shall have recourse to a legal action/arbitration in a court of law in the Kingdom of Bhutan only.

IN WITNESS WHEREOF, I, .....(employer) on behalf of the Agency and I,..... (employee), have hereto set our hands this day and year.

SIGNED by the contract employee

DD/MM/YYYY

(Affix Legal Stamp)

In the presence of .....

SIGNED for and on behalf of the Agency:

DD/MM/YYYY

In the presence of .....