



GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT

Finance Department, Civil Secretariat, Peshawar

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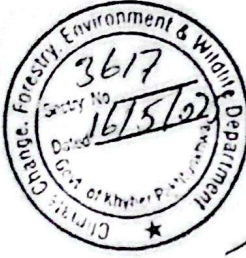
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No. SO(A)FD/1-70/2025/MBS

Dated Peshawar; the 14th May, 2025

To



1. The Additional Chief Secretary, Planning & Development Department, Khyber Pakhtunkhwa.
2. The Senior Member, Board of Revenue, Khyber Pakhtunkhwa.
3. The Additional Chief Secretary, Home & Tribal Affairs Department, Khyber Pakhtunkhwa.
4. All the Administrative Secretaries in Khyber Pakhtunkhwa.

Subject: **THE KHYBER PAKHTUNKHWA MARKET BASED SALARY (MBS) POLICY-2025.**

Dear sir,

I am directed to refer to the subject noted above and to forward herewith a copy of "The Khyber Pakhtunkhwa Market Based Salary (MBS) Policy-2025" duly approved by the Provincial Cabinet for information and compliance, please.

Your faithfully,

Encls: The Khyber Pakhtunkhwa
(MBS) Policy-2025.

SECTION OFFICER (ADMIN)

Endst: No. & Date Even:

Copy alongwith copy of the above is forwarded to the:

1. Principal Secretary to Governor, Khyber Pakhtunkhwa.
2. Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
3. PSO to Chief Secretary, Khyber Pakhtunkhwa.
4. PS to Secretary, Finance Department.
5. PS to Secretary, Establishment Department.
6. The Section Officer (Cabinet), Establishment & Administration Department w/r to his letter No.SOC(E&AD)9-30/2025 dated 11th April, 2025.
7. The Section Officer (R-VI), Establishment Department w/r to his letter No.SOR-VI/E&AD/Misc: Finance/2025/110-16 dated 14th May, 2025.
8. PA to Special Secretary (A&R), Finance Department.
9. PA to Additional Secretary (Admn), Finance Department.
10. Master file.

SECTION OFFICER (ADMIN)

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THE KHYBER PAKHTUNKHWA MARKET-BASED SALARY (MBS) POLICY- 2025

1. Scope:

- i. The Government of Khyber Pakhtunkhwa is committed to enhance its technical capacity so as to attract and retain highly skilled professionals from the market. To achieve this, a new Market-Based Salary (MBS) hiring policy has been framed, which will replace the existing Market-Based Talent Policy notified vide No.SO (Policy)/E&D/1-10/2019 dated 10.10.2019. The new policy aims to ensure hiring of professionals and technical staff in specialized areas on contractual basis in various line Departments across the Province.
- ii. Government employees with relevant qualifications and experience shall also be eligible to apply through proper channel under the MBS policy.

2. Applicability:

This policy shall come into force at once with immediate effect.

3. Objectives:

The primary objectives of the Market-Based Salary hiring policy are as under:

- To attract high-caliber professionals with specialized expertise in financial, technical, strategic matters etc.
- To retain skilled professionals through competitive market-based salaries.
- To enhance capacity of the departments in handling complex financial, technical, strategic matters efficiently and effectively.
- To ensure a transparent and merit-based hiring process.
- To promote diversity, inclusion and equal opportunity in hiring.

4. Creation of Market Based Salary (MBS) Position:

The need assessment of the Market-Based Salary (MBS) positions is the responsibility of the Principal Accounting Officer/Administrative Secretary. In order to create a new MBS position, the Administrative Secretary shall submit a formal request to the Finance Department, which will then present the proposal to the SNE Committee for review and approval. Upon obtaining the concurrence of the SNE Committee, the Administrative Secretary shall forward the request for the creation of the MBS positions to the Provincial Cabinet for final approval.

5. Structure of Market-Based Salary Hiring:

The MBS hiring policy classifies positions into four tiers based on experience, education and responsibilities to be determined by the respective department(s):

S.No	Grade	Gross Salary (Rs.)	Education in Relevant Field	Relevant Professional Experience
1	MBS-I	900,090	16 Years of Education	Min 15 years
2	MBS-II	448,280	16 Years of Education	Min 10 years
3	MBS-III	305,520	16 Years of Education	Min 05 years
4	MBS-IV	150,000	16 Years of Education	Fresh Graduates

6. Hiring Process:

This policy is structured around best hiring practices and follows a structured multi-stage evaluation process by attracting pool of candidates through detailed advertisement in minimum two national newspapers. Each stage is designed to independently assess candidates based on their skills, expertise and performance potential. Unlike traditional government hiring practices, no scores will carry forward between stages. Following will be the stages in hiring process:

10. Terms of Employment:

- Competitive and aligned with market trends. An annual 5% increase on basic salary
- Employees shall be entitled to TA/DA according to government policy based on their respective grades. For the purpose of this clause, MBS-I to IV grades shall be equivalent to BS-22 to BS-18 respectively.
- All appointments shall be made purely on contract basis.
- The term of appointment shall initially be for a period up to three years, extendible for another 2-years.
- The reporting mechanism of employees hired under this policy shall be determined by the concerned Administrative Department.
- At the time of joining, he shall provide Medical Fitness Certificate from Government Hospital.
- Employees hired under this policy shall observe good conduct as outlined in Khyber Pakhtunkhwa Government Servants Conduct Rules, 1987.

11. Compensation and Benefits:

- **Salary:** The salary structure for employees recruited under this policy shall be as under:

Description	MBS-I	MBS-II	MBS-III	MBS-IV
Basic Pay	629,230	263,180	184,230	105,000
House Rent	146,450	95,700	47,850	30,000
Utilities	28,500	11,970	8,380	15,000
Monetization of Transport	95,910	77,430	65,060	----
Total	900,090	448,280	305,520	150,000

- **Monthly Leave:** Employees shall be entitled to three days of leave per month. In case of leave beyond admissible period, deduction shall be made from salary accordingly. Title of Leave will neither be carried over to the next year in case of non-availing nor will it be encashed.
- **No Pension Benefits:** Employees hired under Market Based Salary shall not be entitled to any pensionary benefits.
- **Gratuity:** One month's basic pay for each completed year of service.
- **Medical Facilities:** Reimbursement of medical and hospitalization charges for self, spouse and children for treatment received at Government Hospitals if not covered under any available Government Health Insurance policy.

- 12. **Performance Evaluation:** Performance shall be assessed on contract expiry, defined as per job descriptions of the position by the concerned Administrative Department. The Administrative Secretary shall evaluate the performance of employees against the defined criteria.
- 13. **Termination of Contract:** The contract shall be terminated on one month's notice by either side or payment of one month's Basic Pay in lieu thereof. In case of any serious violation of his terms of employment as determined by the appointing authority, the contract shall be terminated immediately without any notice.
- 14. **In Process Recruitment:** Process of hiring already initiated by the administrative departments before commencement of this policy, shall be deemed to have been made under the MBS Policy
- 15. **Repeal:** The Market-Based Talent Policy notified vide No.SO(Policy)/E&D/1-10/2019 dated 10.10.2019 shall stand repealed henceforth.