FREQUENTLY ASKED QUESTIONS
ENGAGEMENT OF CONTRACT OF SERVICE (COS) AND JOB ORDER (JO) WORKERS IN THE GOVERNMMENT

Civil Service Commission (CSC)-Commission on Audit (COA)-Department of Budget and Management (DBM)
Joint Circular (JC) No. 1, s. 2025

1. Are agencies still allowed to hire or renew the existing contracts of their COS and JO workers in FY 2026?

YES, agencies may still engage new COS/JO workers and/or renew the existing contracts in FY 2026, in accordance with the policies, rules, and regulations under CSC-COA-DBM JC No. 1, s. 2025.

However, as a first step towards regulating the number of COS/JO workers, agencies shall **no longer be allowed to exceed the baseline number** of their COS and JO workers. For this purpose, the baseline data will cover the COS/JO workers whose contracts remain valid until December 31, 2025.

This policy will ensure that the completion of government programs/activities/projects (P/A/Ps) will **not** be jeopardized.

2. How will the new guidelines improve the welfare of COS/JO workers?

To address the apparent lack of social protection benefits, the new Joint Circular states that **government agencies shall provide a premium not exceeding 20% of the salary/wage of the COS/JO workers**, subject to funding availability.

The premium payments will cover the worker's contributions, classified as voluntary or self-employed membership, to government-mandated social security programs (SSS, PhilHealth, and the Pag-IBIG Fund), thereby, ensuring access to social insurance, housing, and loan facilities, and healthcare.

In addition, subject to the availability of funds, the following **ancillary benefits** shall be provided to the COS and JO workers, which will be stipulated in their respective contracts or agreements:

- **Overtime Pay** – for services rendered beyond official working hours or on rest days/holidays/non-working days, subject to the same rules and regulations under CSC-DBM JC No. 2, s. 2015[1];

[1] Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees (November 25, 2015)

- **Reimbursement of expenses for official local travel** – for actual travel expenses incurred on official local travel, subject to the rules and regulations under Executive Order No. 77, s. 2019[2], and any subsequent amendments thereto, and other applicable budgeting, accounting and auditing rules and regulations; and

- **Flexible Work Arrangement (FWA)** – with due consideration of their functions and tasks, the COS/JO workers may be considered for the FWA, subject to the guidelines under COA-DBM JC No. 1, s. 2022[3], and any subsequent issuances on the matter

Finally, the Joint Circular also directs agencies to **provide support programs** to enhance the welfare of the COS and JO workers, such as review sessions to prepare them for the civil service exams, and training programs to improve their job-related skills, etc., subject to the existing budgeting, accounting, and auditing rules and regulations.

The grant of additional ancillary benefit(s) to the COS and JO workers may be authorized, subject to the availability of funds and compliance with the existing relevant laws, rules, and regulations, including any subsequent guidelines that may be issued and deemed applicable for the purpose.

3. How will the number of COS/JO workers be monitored?

All agencies are directed to submit to the COA, copy furnished the CSC and the DBM, an **inventory of their existing COS and JO workers** with valid contracts as of December 31, 2025 to establish the baseline data. A prescribed format for the inventory is provided in the JC.

Said reportorial requirement shall be complied with **not** later than January 31, 2026.

4. Are local government units (LGUs) covered by the JC?

NO, the LGUs are not covered by the JC in view of their authority under Republic Act No. 7160 or the Local Government Code of 1991 to employ the services of the emergency or casual employees or laborers paid on a daily wage or piecework basis and hired through JO for local projects authorized by the *sanggunian* concerned, without the need of approval or attestation by the CSC.

[2] Prescribing Rules and Regulations and Rates of Expenses and Allowances for Official Local and Foreign Travels of Government Personnel (March 15, 2019)
[3] Policies on the Adoption of Flexible Work Arrangements for Contract of Service (COS) and Job Order (JO) Workers in Government (September 13, 2022)

However, the CSC, COA, and the DBM, in coordination with the Department of the Interior and Local Government, shall conduct a separate in-depth study to promulgate appropriate regulations that will recognize the nuances of local government operations, while respecting local autonomy.

5. What has been done to help COS/JO workers become regular employees?

- There is a **conscious effort** on the part of agencies to support their existing COS/JO workers by appointing those qualified to their respective plantilla positions or contractual items.

- There is also concerted action on the part of the oversight agencies (CSC and DBM) to manage the number of the COS/JO workers.

- The DBM is considering the **conversion of the COS/JO items to contractual or casual items** in various national government agencies (e.g., Department of Health and Department of Social Welfare and Development) for the implementation of their time-bounded projects, and the **creation of regular positions** to augment the existing complement undertaking regular/core functions.

- Meanwhile, the CSC assists the COS/JO personnel in **meeting their eligibility requirements** through the Grant of the Career Service Eligibility–Preference Rating to specific workers in government agencies.

- Under the subject JC, it is reiterated that government agencies shall **review their systems of operations** to address gaps, if any, and determine the appropriate staffing complement for the performance of their regular functions and undertaking of P/A/Ps of limited duration or temporary in nature.

  Permanent positions may be created for regular functions, while casual or contractual personnel may be hired for projects and activities that are temporary in nature, subject to the evaluation of the DBM or the Governance Commission for Government-Owned or -Controlled Corporations, as well as the existing budgeting, accounting, and auditing rules and regulations.

- **Existing qualified COS and JO workers shall be considered for appointment** by the government agencies to their vacant positions, subject to the existing civil service laws, rules, and regulations, and the CSC-approved Merit Selection Plan.

- Agencies are encouraged to **strengthen their selection and recruitment processes** to keep a low vacancy rate.

- Government agencies must include a provision in their institutional contracts with a contractor/service provider stipulating that the existing qualified COS/JO workers of the agency shall be **considered during the recruitment or hiring processes** of the contractor/service provider.

6. What effect does the Government Optimization Act have on COS/JO workers?

- The *Government Optimization Act (RA No. 12231)* grants authority to the President to optimize the operations the Executive Branch, including the creation, reorganization, merger, streamlining, abolition, or deactivation of agencies, offices, or units in the best interest of the State.

  This is aligned with the espoused policy of providing adequate resources to support an organization's essential role, scope, and level of governance, while minimizing, if not eliminating, redundancies, overlaps, and duplications in its operations, and simplifying its rules and regulations, systems and processes, while protecting the welfare of civil servants and other government workers.

- In this regard, departments/agencies shall **consider their existing COS and JO workers in the preparation of their respective Optimization Plans**, pursuant to the Government Optimization Act.

  Further and as stated under RA No. 12231, optimized agencies shall **not** be allowed to hire COS/JO workers within five (5) years from the approval of their Optimization Plan. The details of the implementation of the Government Optimization Program shall be covered in the law's Implementing Rules and Regulations.