



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
Building II, General Solano Street, San Miguel, Manila



NATIONAL BUDGET CIRCULAR

No. 524
June 23, 2010

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs); Government-Owned or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs); and All Others Concerned

SUBJECT : Implementation of the Second Tranche Monthly Salary Schedule for Civilian Personnel and Base Pay Schedule for Military and Uniformed Personnel in the National Government

1.0 Purpose

This Circular is issued to prescribe the guidelines, rules, and regulations to govern the implementation in the National Government of the second tranche of the modified Salary Schedule for civilian personnel and the modified Base Pay Schedule for military and uniformed personnel, both provided under the Senate and House of Representatives Joint Resolution No. 4, s. 2009, approved on June 17, 2009, and as mandated under Executive Order (E.O.) No. 900, issued on June 23, 2010.

2.0 Coverage

The following are covered by this Circular:

- 2.1 All positions for civilian personnel, whether regular, casual, or contractual in nature, appointive or elective, full-time or part-time, now existing or hereafter created in the Executive, Legislative, and Judicial Branches, the Constitutional Commissions/Offices, SUCs, GOCCs, and GFIs covered by the Compensation and Position Classification System under Republic Act (R.A.) No. 6758, "Compensation and Position Classification Act of 1989," as amended; and
- 2.2 Military personnel under the Armed Forces of the Philippines, Department of National Defense; and uniformed personnel under the Philippine National Police, Bureau of Fire Protection, and Bureau of Jail Management and Penology under the Department of the Interior and Local Government;

3.0 Exclusions

The following are excluded from the coverage of this Circular:

- 3.1 Positions for civilian personnel in government entities which are exempted from R.A. No. 6758, as amended, and are authorized by law to adopt, and are actually implementing their respective compensation and position classification systems approved by the Office of the President;
- 3.2 Those hired without employee-employer relationships and funded from non-Personal Services appropriations/budgets, as follows:
 - 3.2.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
 - 3.2.2 Laborers hired through job contracts (pakyaw) and those paid for piecework;
 - 3.2.3 Student workers and apprentices; and
 - 3.2.4 Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

4.0 Second Tranche Monthly Salary Schedule for Civilian Personnel

The new salary rates shall be in accordance with the Second Tranche Monthly Salary Schedule for Civilian Personnel of the National Government attached as Annex "A," which shall be implemented effective June 24, 2010. This Salary Schedule, however, shall not apply to officials and employees whose terms of office are coterminous with the incumbent President of the Philippines, including the coterminous employees of these officials,

4.1 Rules for Adjusting Salaries

- 4.1.1 The salaries of incumbent civilian personnel shall be adjusted to the rates in the Salary Schedule in Annex "A" which correspond to the designated salary steps of the salary grade allocations of their positions as of June 23, 2010, provided their positions and salary grades are in accordance with the Index of Occupational Services, Occupational Groups, Classes, and Salary Grades issued under Budget Circular No. 2006-3 dated May 17, 2006, and the Index of Occupational Services attached to Corporate Compensation Circular No. 10 dated February 15, 1999, and additions/modifications thereto.
- 4.1.2 If the actual monthly basic salary of an incumbent as of June 23, 2010, falls between salary steps of the salary grade allocation of his/her position due to the grant of service award or as a result of

demotion or transfer due to the exigency of the service, his/her salary shall be adjusted to the rate for the higher step in the Salary Schedule in Annex "A."

4.1.3 If the actual monthly basic salary of an incumbent exceeds that for Step 8 of the salary grade allocation of his/her position as of June 23, 2010:

4.1.3.1 His/Her salary shall be adjusted to the salary for Step 8 of the salary grade allocation of his/her position in the Salary Schedule in Annex "A"; or

4.1.3.2 He/She shall not be entitled to salary increase if the actual salary as of June 23, 2010, exceeds the rate for Step 8 of the salary grade allocation of his/her position in the Salary Schedule in Annex "A."

4.1.4 If supported by sufficient funds, the salaries/wages of incumbent contractual/casual personnel as of June 23, 2010, may be adjusted to the rates corresponding to Step 1 of the salary grade allocations of their positions effective June 24, 2010. The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly salaries corresponding to Step 1 of the salary grade allocations of their positions in the Salary Schedule in Annex "A" by 22 work days.

4.1.5 Compulsory retirees, whose services have been extended beyond June 23, 2010, shall be entitled to salary increases effective June 24, 2010, following items 4.1.1 to 4.1.3 of this Circular, whichever is applicable. However, their retirement benefits, including Terminal Leave Benefits, shall be computed based on their monthly salaries as of the day prior to the effectivity of their retirement, consistent with existing laws, rules, and regulations.

4.1.6 The salary increase for the month of June 2010 shall correspond to the incremental salary for 5 work days, computed as follows:

$$\text{Incremental Salary for June 2010} = \left[\text{Monthly Salary as of June 24, 2010} - \text{Monthly Salary as of June 23, 2010} \right] \left[\frac{5 \text{ work days}}{22 \text{ work days/month}} \right]$$

4.2 Salaries for Constitutional Officials

Pursuant to Section 6 of Article VII and Section 10 of Article VI of the Constitution, the salaries prescribed under this Circular shall not apply to the incumbent President of the Philippines, Vice-President of the Philippines, and Members of the 14th Congress, including Senators whose full terms will expire in the year 2013.

5.0 Implementation of the Salary Schedule in GOCCs and GFIs

- 5.1 The implementation of the Second Tranche Monthly Salary Schedule in GOCCs and GFIs shall be as determined by their respective governing boards. GOCCs and GFIs which do not have adequate or sufficient funds to implement fully the Salary Schedule in Annex "A," may formulate and implement their respective salary schedules which shall be at uniform percentages of the salary rates in Annex "A."
- 5.2 In the formulation of such salary schedules, GOCCs and GFIs shall ensure that they can fund on a sustainable basis the increased salaries, including the government counterpart to the Retirement and Life Insurance Premiums (RLIP), PAG-I.B.I.G. Contributions, PHILHEALTH Contributions, and Employees Compensation Insurance Premiums.
- 5.3 In the adjustment of the salaries of incumbent personnel effective June 24, 2010, the pertinent rules under item 4.1 shall be applied.

6.0 Second Tranche Monthly Base Pay Schedule for Military and Uniformed Personnel

- 6.1 The new base pay rates shall be in accordance with the Second Tranche Monthly Base Pay Schedule for Military and Uniformed Personnel Effective June 24, 2010, attached as Annex "B."
- 6.2 The monthly base pay as of June 23, 2010, of incumbent military and uniformed personnel shall be adjusted effective June 24, 2010, in accordance with the Base Pay Schedule in Annex "B."

7.0 Conditional Applicability to Entities Exempted from R.A. No. 6758, as Amended

- 7.1 Pursuant to item (9) of the Senate and House of Representatives Joint Resolution No. 4, s. 2009, entities which are exempted from R.A. No. 6758, as amended, but are still following the salary rates for positions covered by said Act, may be entitled to the salary increases authorized under E.O. No. 900 and as prescribed under this Circular, until such time that they have implemented their respective compensation and position classification systems approved by the Office of the President.
- 7.2 Accordingly, the payment of salary adjustments to the personnel in these entities shall be subject to the pertinent provisions of this Circular.

8.0 Procedural Guidelines

- 8.1 Preparation of Notices of Salary Adjustment (NOSAs)
 - 8.1.1 The Human Resource Management Officer (HRMO)/ Administrative Officer (AO) of a national government agency (NGA), GOCC, or GFI shall prepare NOSAs for incumbent civilian

personnel following the format marked as Annex "C," for approval by the Head of Agency.

8.1.2 For personnel whose actual monthly salaries as of June 23, 2010 exceed the rates corresponding to Step 8 of the salary grade allocation of their positions in Annex "A," the HRMO/AO shall no longer prepare NOSAs.

8.1.3 The original copies of the NOSAs shall be issued to the personnel concerned. Copies of the same shall be furnished the Government Service Insurance System (GSIS), if the personnel concerned are members thereof.

8.2 Preparation of Plantillas of Personnel and Salary Adjustment (PPASAs)

8.2.1 The HRMO/AO of the GOCC or GFI shall prepare the PPASA for regular positions following the format marked as Annex "D," for approval by the Head of Agency.

8.2.2 The original copy shall be submitted to the DBM Budget and Management Bureau (BMB) or Regional Office (RO) concerned, together with a copy of the duly approved salary schedule (under item 5.1 of this Circular). Copies thereof shall be furnished the Civil Service Commission (CSC) Regional Office (RO)/Field Office (FO) concerned.

8.2.3 Separate PPASAs for casual and contractual personnel of NGAs, GOCCs, and GFIs shall be similarly prepared and submitted to the DBM BMB/RO and CSC RO/FO concerned.

8.3 Preparation of Notices of Base Pay Adjustment (NOBPAs)

8.3.1 The HRMO/AO of an NGA shall prepare NOBPAs for incumbent military/uniformed personnel following the format marked as Annex "E," for approval by the Head of Agency.

8.3.2 The original copies of the NOBPAs shall be issued to the personnel concerned.

8.4 The salary/base pay adjustment under this Circular shall be subject to review by the authorities concerned, and to appropriate re-adjustment if found not in order. The recipient personnel shall refund any overpayments received.

9.0 Fund Sources

9.1 The amounts required to implement the salary/base pay adjustments, including such related compensation and fixed expenditure adjustments of regular personnel in NGAs, shall be charged against the Miscellaneous Personnel Benefits Fund authorized under R.A. No. 9970, the FY 2010

General Appropriations Act, and from any available savings in the FY 2010 budget.

9.2 The amounts required to implement the salary/wage adjustments, including such related compensation and fixed expenditure adjustments of casual and contractual personnel in NGAs, shall be sourced from the respective agency lump sum appropriations included in the FY 2010 budgets.

9.3 For GOCCs and GFIs, the amounts shall be charged against their respective corporate funds in the approved corporate operating budgets (COBs), provided that the national government shall not release funds for salary adjustments or for any compensation-related expenditures; provided, further, that the GOCCs and GFIs shall not resort to borrowings for the purpose; and provided, furthermore, that the performance targets in their DBM-approved COBs are met and their programs/projects for the year are not adversely affected.

10.0 Release of Funds

10.1 Initially, agencies may charge the requirements of the salary adjustment of their personnel against their released allotments for Personal Services.

10.2 The specific Special Allotment Release Order for this salary adjustment shall be released by the DBM to the agency based on the number of filled positions as of June 24, 2010. Additional fund release for this purpose shall be subject to the submission of the following reports:

10.2.1 Report of newly filled authorized regular positions from June 25, 2010, up to the date of report, to include information on the item numbers, positions and salary grades, names of incumbent, salaries, dates of assumption to duty, and summary of additional funding requirement; and

10.2.2 Statement of Allotments, Obligations, and Balances, highlighting the amount of allotments received and corresponding obligations incurred for compensation adjustments.

10.3 DBM shall issue additional Notices of Cash Allocation to cover the six (6) months and five (5) days requirement of the salary adjustment of agency personnel, consistent with the procedural guidelines under DBM Circular Letter No. 2008-11.

11.0 Responsibilities of Heads of Agencies


Heads of Agencies shall be responsible for the proper implementation of the provisions of this Circular. They shall be held liable for any payment of salary or base pay not in accordance with the provisions of this Circular.

12.0 Saving Clause

Cases not covered by the provisions of this Circular shall be referred to the DBM for resolution.

13.0 Effectivity

This Circular shall take effect immediately.


JOAQUIN C. LAGONERA
Secretary

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
8,450	8,745	9,040	9,335	9,630	9,925	10,220	10,515
9,170	9,465	9,760	10,055	10,350	10,645	10,940	11,235
9,915	10,210	10,505	10,800	11,095	11,390	11,685	11,980
10,660	10,955	11,250	11,545	11,840	12,135	12,430	12,725
11,405	11,700	12,000	12,295	12,590	12,885	13,180	13,475
12,150	12,445	12,740	13,035	13,330	13,625	13,920	14,215
12,895	13,190	13,485	13,780	14,075	14,370	14,665	14,960
13,640	13,935	14,230	14,525	14,820	15,115	15,410	15,705
14,385	14,680	14,975	15,270	15,565	15,860	16,155	16,450
15,130	15,425	15,720	16,015	16,310	16,605	16,900	17,195
15,875	16,170	16,465	16,760	17,055	17,350	17,645	17,940
16,620	16,915	17,210	17,505	17,800	18,095	18,390	18,685
17,365	17,660	17,955	18,250	18,545	18,840	19,135	19,430
18,110	18,405	18,700	19,000	19,295	19,590	19,885	20,180
18,855	19,150	19,445	19,740	20,035	20,330	20,625	20,920
19,600	19,895	20,190	20,485	20,780	21,075	21,370	21,665
20,345	20,640	20,935	21,230	21,525	21,820	22,115	22,410
21,090	21,385	21,680	21,975	22,270	22,565	22,860	23,155
21,835	22,130	22,425	22,720	23,015	23,310	23,605	23,900
22,580	22,875	23,170	23,465	23,760	24,055	24,350	24,645
23,325	23,620	23,915	24,210	24,505	24,800	25,095	25,390
24,070	24,365	24,660	24,955	25,250	25,545	25,840	26,135
24,815	25,110	25,405	25,700	26,000	26,295	26,590	26,885
25,560	25,855	26,150	26,445	26,740	27,035	27,330	27,625
26,305	26,600	26,895	27,190	27,485	27,780	28,075	28,370
27,050	27,345	27,640	27,935	28,230	28,525	28,820	29,115
27,795	28,090	28,385	28,680	28,975	29,270	29,565	29,860
28,540	28,835	29,130	29,425	29,720	30,015	30,310	30,605
29,285	29,580	29,875	30,170	30,465	30,760	31,055	31,350
30,030	30,325	30,620	30,915	31,210	31,505	31,800	32,095
30,775	31,070	31,365	31,660	31,955	32,250	32,545	32,840
31,520	31,815	32,110	32,405	32,700	33,000	33,295	33,590
32,265	32,560	32,855	33,150	33,445	33,740	34,035	34,330
33,010	33,305	33,600	33,895	34,190	34,485	34,780	35,075
33,755	34,050	34,345	34,640	34,935	35,230	35,525	35,820
34,500	34,795	35,090	35,385	35,680	35,975	36,270	36,565
35,245	35,540	35,835	36,130	36,425	36,720	37,015	37,310
35,990	36,285	36,580	36,875	37,170	37,465	37,760	38,055
36,735	37,030	37,325	37,620	37,915	38,210	38,505	38,800
37,480	37,775	38,070	38,365	38,660	38,955	39,250	39,545
38,225	38,520	38,815	39,110	39,405	39,700	40,000	40,295
38,970	39,265	39,560	39,855	40,150	40,445	40,740	41,035
39,715	40,010	40,305	40,600	40,895	41,190	41,485	41,780
40,460	40,755	41,050	41,345	41,640	41,935	42,230	42,525
41,205	41,500	41,795	42,090	42,385	42,680	42,975	43,270
41,950	42,245	42,540	42,835	43,130	43,425	43,720	44,015
42,695	42,990	43,285	43,580	43,875	44,170	44,465	44,760
43,440	43,735	44,030	44,325	44,620	44,915	45,210	45,505
44,185	44,480	44,775	45,070	45,365	45,660	45,955	46,250
44,930	45,225	45,520	45,815	46,110	46,405	46,700	47,000
45,675	45,970	46,265	46,560	46,855	47,150	47,445	47,740
46,420	46,715	47,010	47,305	47,600	47,895	48,190	48,485
47,165	47,460	47,755	48,050	48,345	48,640	48,935	49,230
47,910	48,205	48,500	48,795	49,090	49,385	49,680	49,975
48,655	48,950	49,245	49,540	49,835	50,130	50,425	50,720
49,400	49,695	49,990	50,285	50,580	50,875	51,170	51,465
50,145	50,440	50,735	51,030	51,325	51,620	51,915	52,210
50,890	51,185	51,480	51,775	52,070	52,365	52,660	52,955
51,635	51,930	52,225	52,520	52,815	53,110	53,405	53,700
52,380	52,675	52,970	53,265	53,560	53,855	54,150	54,445
53,125	53,420	53,715	54,010	54,305	54,600	54,895	55,190
53,870	54,165	54,460	54,755	55,050	55,345	55,640	55,935
54,615	54,910	55,205	55,500	55,795	56,090	56,385	56,680
55,360	55,655	55,950	56,245	56,540	56,835	57,130	57,425
56,105	56,400	56,695	56,990	57,285	57,580	57,875	58,170
56,850	57,145	57,440	57,735	58,030	58,325	58,620	58,915
57,595	57,890	58,185	58,480	58,775	59,070	59,365	59,660
58,340	58,635	58,930	59,225	59,520	59,815	60,110	60,405
59,085	59,380	59,675	59,970	60,265	60,560	60,855	61,150
59,830	60,125	60,420	60,715	61,010	61,305	61,600	61,895
60,575	60,870	61,165	61,460	61,755	62,050	62,345	62,640
61,320	61,615	61,910	62,205	62,500	62,795	63,090	63,385
62,065	62,360	62,655	62,950	63,245	63,540	63,835	64,130
62,810	63,105	63,400	63,695	63,990	64,285	64,580	64,875
63,555	63,850	64,145	64,440	64,735	65,030	65,325	65,620
64,300	64,595	64,890	65,185	65,480	65,775	66,070	66,365
65,045	65,340	65,635	65,930	66,225	66,520	66,815	67,110
65,790	66,085	66,380	66,675	66,970	67,265	67,560	67,855
66,535	66,830	67,125	67,420	67,715	68,010	68,305	68,600
67,280	67,575	67,870	68,165	68,460	68,755	69,050	69,345
68,025	68,320	68,615	68,910	69,205	69,500	69,795	70,090
68,770	69,065	69,360	69,655	69,950	70,245	70,540	70,835
69,515	69,810	70,105	70,400	70,695	70,990	71,285	71,580
70,260	70,555	70,850	71,145	71,440	71,735	72,030	72,325
71,005	71,300	71,595	71,890	72,185	72,480	72,775	73,070
71,750	72,045	72,340	72,635	72,930	73,225	73,520	73,815
72,495	72,790	73,085	73,380	73,675	73,970	74,265	74,560
73,240	73,535	73,830	74,125	74,420	74,715	75,010	75,305
73,985	74,280	74,575	74,870	75,165	75,460	75,755	76,050
74,730	75,025	75,320	75,615	75,910	76,205	76,500	76,795
75,475	75,770	76,065	76,360	76,655	76,950	77,245	77,540
76,220	76,515	76,810	77,105	77,400	77,695	77,990	78,285
76,965	77,260	77,555	77,850	78,145	78,440	78,735	79,030
77,710	78,005	78,300	78,595	78,890	79,185	79,480	79,775
78,455	78,750	79,045	79,340	79,635	79,930	80,225	80,520
79,200	79,495	79,790	80,085	80,380	80,675	80,970	81,265
79,945	80,240	80,535	80,830	81,125	81,420	81,715	82,010
80,690	80,985	81,280	81,575	81,870	82,165	82,460	82,755
81,435	81,730	82,025	82,320	82,615	82,910	83,205	83,500
82,180	82,475	82,770	83,065	83,360	83,655	83,950	84,245
82,925	83,220	83,515	83,810	84,105	84,400	84,695	84,990
83,670	83,965	84,260	84,555	84,850	85,145	85,440	85,735
84,415	84,710	85,005	85,300	85,595	85,890	86,185	86,480
85,160	85,455	85,750	86,045	86,340	86,635	86,930	87,225
85,905	86,200	86,495	86,790	87,085	87,380	87,675	87,970
86,650	86,945	87,240	87,535	87,830	88,125	88,420	88,715
87,395	87,690	87,985	88,280	88,575	88,870	89,165	89,460
88,140	88,435	88,730	89,025	89,320	89,615	89,910	90,205
88,885	89,180	89,475	89,770	90,065	90,360	90,655	90,950
89,630	89,925	90,220	90,515	90,810	91,105	91,400	91,695
90,375	90,670	90,965	91,260	91,555	91,850	92,145	92,440
91,120	91,415	91,710	92,005	92,300	92,595	92,890	93,185
91,865	92,160	92,455	92,750	93,045	93,340	93,635	93,930
92,610	92,905	93,200	93,495	93,790	94,085		