



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



NATIONAL BUDGET CIRCULAR

No. 530

May 11, 2011

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 Third 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 third 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. 40, issued on April 29, 2011.

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 (DND); and uniformed personnel under the Philippine National Police (PNP), Philippine Public Safety College (PPSC), Bureau of Fire Protection (BFP), and Bureau of Jail Management and Penology (BJMP) under the Department of the Interior and Local Government (DILG); Philippine Coast Guard (PCG); and National Mapping and Resource Information Authority (NAMRIA).

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 Third Tranche Monthly Salary Schedule for Civilian Personnel

The new salary rates shall be in accordance with the Third Tranche Monthly Salary Schedule for Civilian Personnel of the National Government Effective June 1, 2011, attached as Annex "A."

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 May 31, 2011, 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 May 31, 2011 falls between 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 May 31, 2011:

4.1.3.1 His/Her salary shall be adjusted to the rate 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 May 31, 2011 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 May 31, 2011 may be adjusted to the rates corresponding to Step 1 of the salary grade allocations of their positions effective June 1, 2011. The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly rates by 22 work days per month.

4.1.5 Compulsory retirees whose services have been extended beyond May 31, 2011 shall be entitled to salary increases effective June 1, 2011, 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.

4.2 Salaries for Constitutional Officials

Pursuant to Section 10, Article VI of the Philippine Constitution, no increase in compensation shall take effect until after the expiration of the full term of all the Members of the Senate and the House of Representatives approving such increase.

5.0 Implementation of the Salary Schedule in GOCCs and GFIs

5.1 The implementation of the Third 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 at lower rates but at uniform percentages of the salaries 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 1, 2011, the pertinent rules under item 4.1 of this Circular shall be applied.

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

- 6.1 The new base pay rates shall be in accordance with the Third Tranche Monthly Base Pay Schedule for Military and Uniformed Personnel Effective June 1, 2011, attached as Annex "B."
- 6.2 The monthly base pay as of May 31, 2011 of incumbent military and uniformed personnel shall be adjusted effective June 1, 2011 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 Compensation and Position Classification System and salary rates for positions covered by said Act, may be entitled to the salary increases authorized under E.O. No. 40 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 May 31, 2011 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 NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if the personnel are members thereof.

- 8.2 Preparation of Plantillas of Personnel and Salary Adjustment (PPSAs)

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

8.2.2 The PPSA shall be submitted to the Department of Budget and Management (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), copy furnished the Civil Service Commission (CSC) Regional Office (RO)/Field Office (FO) concerned.

8.2.3 Separate PPSAs 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 NOBPAs shall be issued to the personnel concerned.

8.4 The salary/base pay adjustment under this Circular shall be subject to review and post audit, and to appropriate re-adjustment if found not in order. The personnel concerned 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. 10147, the FY 2011 General Appropriations Act, and from any available savings in the FY 2011 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 FY 2011 lump sum appropriations/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 (PS).
- 10.2 The specific Special Allotment Release Order (SARO) for this salary adjustment shall be released by the DBM directly to the operating units of NGAs (i.e., units receiving Notice of Cash Allocation (NCA) directly from DBM) based on the number of filled positions as of June 1, 2011.
- 10.3 Additional release of funds for this purpose shall consider the following:
 - 10.3.1 Requirements of newly filled regular positions authorized after the June 1, 2011 cut-off date cited above. The agency report for the purpose shall include information on the item numbers, positions and salary grades, names of incumbent, salaries and dates of assumption to duty;
 - 10.3.2 Retired personnel of the agency from June 2, 2011 up to the date of issuance of the SARO using as reference, the requests for payment of terminal leave and retirement gratuity benefits processed by DBM; and,
 - 10.3.3 Statement of Allotments, Obligations, and Balances, highlighting the amount of allotments received and corresponding obligations incurred for compensation adjustments.
- 10.4 DBM shall issue additional NCAs to cover the seven (7) months 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.


FLORENCIO B. ABAD
Secretary *abf*

**Third Tranche Monthly Salary Schedule
for Civilian Personnel of the National Government
Effective June 1, 2011
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,287	8,393	8,501	8,610	8,721	8,834	8,948	9,064
2	8,932	9,047	9,162	9,281	9,400	9,522	9,646	9,772
3	9,628	9,751	9,876	10,004	10,133	10,265	10,398	10,534
4	10,358	10,491	10,626	10,763	10,904	11,045	11,189	11,335
5	11,145	11,288	11,434	11,581	11,732	11,884	12,040	12,197
6	11,992	12,146	12,302	12,462	12,624	12,788	12,955	13,125
7	12,880	13,045	13,213	13,384	13,558	13,734	13,913	14,096
8	13,833	14,011	14,192	14,375	14,561	14,750	14,942	15,138
9	14,857	15,048	15,242	15,439	15,639	15,842	16,048	16,257
10	15,948	16,153	16,360	16,571	16,786	17,003	17,225	17,449
11	17,099	17,318	17,540	17,765	17,994	18,227	18,464	18,703
12	18,333	18,568	18,805	19,047	19,291	19,541	19,793	20,050
13	19,658	19,908	20,162	20,420	20,682	20,948	21,219	21,493
14	21,078	21,346	21,618	21,894	22,174	22,459	22,748	23,041
15	22,688	22,994	23,305	23,621	23,941	24,266	24,598	24,934
16	24,423	24,752	25,085	25,424	25,767	26,117	26,472	26,832
17	26,292	26,644	27,002	27,366	27,736	28,110	28,491	28,878
18	28,305	28,684	29,068	29,458	29,854	30,256	30,666	31,080
19	30,474	30,880	31,292	31,711	32,137	32,568	33,008	33,453
20	32,810	33,246	33,688	34,140	34,596	35,059	35,530	36,009
21	35,219	35,685	36,158	36,638	37,125	37,620	38,123	38,633
22	37,812	38,310	38,815	39,327	39,848	40,376	40,913	41,457
23	40,604	41,136	41,676	42,223	42,778	43,343	43,916	44,498
24	43,612	44,179	44,756	45,340	45,934	46,537	47,148	47,769
25	46,848	47,456	48,071	48,696	49,330	49,974	50,628	51,292
26	50,334	50,982	51,642	52,310	52,988	53,676	54,374	55,083
27	54,088	54,782	55,487	56,201	56,926	57,662	58,408	59,166
28	58,132	58,874	59,628	60,392	61,167	61,953	62,752	63,562
29	62,488	63,282	64,088	64,905	65,735	66,576	67,431	68,296
30	67,944	68,814	69,697	70,592	71,500	72,422	73,356	74,305
31	79,729	80,777	81,841	82,921	84,017	85,130	86,261	87,408
32	91,226	92,425	93,642	94,878	96,132	97,405	98,698	100,011
33	107,470							

Third Tranche Monthly Base Pay Schedule for Military and Uniformed Personnel
Effective June 1, 2011
(In Pesos)

DND	DILG		PCG and NAMRIA	Monthly Base Pay
	BJMP and BFP	PNP and PPSC		
Candidate Soldier				10,386
Private	Fire/Jail Officer I	Police Officer I	Apprentice Seaman/ Seaman Third Class	13,492
Private First Class			Seaman Second Class	14,472
Corporal	Fire/Jail Officer II	Police Officer II	Seaman First Class	15,359
Sergeant			Petty Officer III	16,126
Staff Sergeant	Fire/Jail Officer III	Police Officer III	Petty Officer II	16,986
Technical Sergeant			Petty Officer I	18,286
Master Sergeant	Senior Fire/Jail Officer I	Senior Police Officer I	Chief Petty Officer	19,685
Senior Master Sergeant	Senior Fire/Jail Officer II	Senior Police Officer II	Senior Chief Petty Officer	21,193
Chief Master Sergeant	Senior Fire/Jail Officer III	Senior Police Officer III	Master Chief Petty Officer	22,817
First Chief Master Sergeant	Senior Fire/Jail Officer IV	Senior Police Officer IV	First Master Chief Petty Officer	24,567
Cadet		Cadet		24,567
Probationary Second Lieutenant				24,567
Second Lieutenant			Ensign	26,868
First Lieutenant	Inspector	Inspector	Lieutenant Junior Grade	28,839
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	31,251
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	32,942
Lieutenant Colonel	Superintendent	Superintendent	Commander	35,380
Colonel	Senior Superintendent	Senior Superintendent	Captain	38,003
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	40,828
Major General	Director	Director	Rear Admiral	43,872
			Vice Admiral	47,150
Lieutenant General		Deputy Director-General	Admiral	51,283
General		Director General		57,500

Notice of Salary Adjustment

Date: _____

 _____:

Pursuant to National Budget Circular No. 530 dated May 11, 2011, implementing Executive Order No. 40 dated April 29, 2011, your salary is hereby adjusted effective June 1, 2011, as follows:

1. Adjusted monthly basic salary effective June 1, 2011, under the new Salary Schedule; SG_____, Step _____ ₱ _____
2. Actual monthly basic salary as of May 31, 2011; SG _____, Step _____ _____
3. Monthly salary adjustment effective June 1, 2011 (1-2) ₱ _____

It is understood that this salary adjustment is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Head of Agency

Position Title: _____
 Salary Grade: _____
 Item No./Unique Item No., FY _____ Personal Services Itemization
 and/or Plantilla of Personnel: _____

Copy Furnished:
 GSIS

Plantilla of Personnel and Salary Adjustment
As Required Under Item 8.2 of National Budget Circular No. _____ dated _____, 2011

Department/Agency: _____

Item No./ Unique Item No. FY _____ Personal Services Itemization and/or Plantilla of Personnel (1)	Position Title (2)	Salary Grade (3)	Salary Step (4)	Actual Monthly Basic Salary as of May 31, 2011 (5)	Adjusted Monthly Basic Salary Effective June 1, 2011 (6)	Monthly Salary Adjustment Effective June 1, 2011; (6) – (5) (7)	Name of Incumbent (8)	Date of Birth (9)	Tax Identification Number (10)	Date of Original Appointment (11)	Date of Last Promotion (12)	Status of Appoint- ment (13)
Total Per Office												

Prepared/Certified Correct by:

**Human Resource Management Officer/
Administrative Officer**

Approved by:

Head of Agency

Notice of Base Pay Adjustment

Date: _____

_____:

Pursuant to National Budget Circular No. 530 dated May 11, 2011, implementing Executive Order No. 40 dated April 29, 2011, your base pay as _____ (rank) is hereby adjusted effective June 1, 2011, as follows:

1. Adjusted monthly base pay effective June 1, 2011 ₱ _____
2. Actual monthly base pay as of May 31, 2011 _____
3. Monthly base pay adjustment effective June 1, 2011 (1-2) ₱ _____

It is understood that this base pay adjustment is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Head of Agency