



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 201

**MODIFYING THE SALARY SCHEDULE FOR CIVILIAN GOVERNMENT PERSONNEL
AND AUTHORIZING THE GRANT OF ADDITIONAL BENEFITS FOR BOTH
CIVILIAN AND MILITARY AND UNIFORMED PERSONNEL**

WHEREAS, Congress, under Item 1 of its Joint Resolution No. 4, (s. 2009), inscribes, as among the governing principles of the Compensation and Position Classification System (CPCS), the payment of just and equitable compensation to all government personnel in accordance with the principle of equal pay for work of equal value and one that is generally comparable with those in the private sector doing comparable work in order to attract, retain and motivate a corps of competent civil servants;

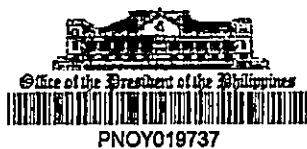
WHEREAS, to ensure this, the same Joint Resolution sets a periodic review of the government's CPCS taking into account the changes in skills and competency requirement in the bureaucracy, the relative demand for certain expertise, the possible erosion in the purchasing power due to inflation, and other factors;

WHEREAS, Section 13 of Presidential Decree No. 985 and Item 17 (iv) of the above Joint Resolution authorize the President, upon recommendation of the Department of Budget and Management, to periodically revise or update the CPCS as well as the policies on and levels of allowances, benefits and incentives applicable to all government personnel; and

WHEREAS, Congress has appropriated an amount of P57.91 Billion in Republic Act (RA) No. 10717 or the Fiscal Year 2016 General Appropriations Act (GAA), to cover the requirement to implement the compensation adjustment of civilian personnel and military and uniformed personnel in the National Government.

NOW THEREFORE, I, BENIGNO S. AQUINO, III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Compensation Adjustment Strategy. To ensure that the compensation structure of government personnel is comparable with the prevailing



rates in the private sector thereby attracting and retaining competent and committed civil servants, the existing CPCS is hereby revised or updated to conform with the following:

- a) Raise the minimum salary for Salary Grade 1 from the current rate of Nine Thousand Pesos (P9,000) to Eleven Thousand Sixty Eight Pesos (P11,068) to make it even more competitive with the market rates;
- b) Bring the compensation of government personnel closer to their private counterparts to at least 70% of the median of the market for all salary grades;
- c) Eliminate overlaps in between salary grade allocations of government personnel to recognize differences in duties and responsibilities of the positions;
- d) Maximize the net take home pay of government personnel through the inclusion of additional benefits; and
- e) Strengthen the performance-based incentive system in recognition of government personnel who play a greater role and carry a heavier responsibility in attaining performance targets and delivering results.

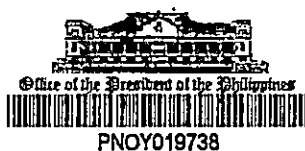
For the military and uniformed personnel (MUP), the compensation adjustment strategy shall be aligned with the objective of mitigating the fiscal crisis building up in their pension system and pursuing the pension reform.

Section 2. Coverage. The modified Salary Schedule authorized herein shall apply to all civilian personnel in the Executive, Legislative and Judicial Branches, Constitutional Commissions and other Constitutional Offices, Government-Owned or Controlled Corporations (GOCCs) not covered by RA No. 10149, and local government units (LGUs); regardless of appointment status, whether regular, contractual or casual; appointive or elective; and on full-time or part-time basis.

The new Provisional Allowance Schedule and the Officers' Allowance shall apply only to the military personnel of the Department of National Defense (DND) and the uniformed personnel of the Department of the Interior and Local Government (DILG), the Philippine Coast Guard (PCG) and the National Mapping and Resource Information Authority (NAMRIA).

The Mid-Year Bonus, Enhanced Performance-Based Bonus (PBB), and Productivity Enhancement Incentive provided herein shall apply to both civilian personnel, and MUP, except for the increase in Hazard Pay which applies only to the MUP.

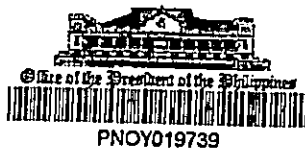
However, individuals whose services are engaged through job orders, contracts of service, consultancy contracts, and service contracts with no employer-employee relationship are excluded from the salary increase and benefits authorized herein.



Section 3. Modified Salary Schedule, including Step Increments. The modified Salary Schedule for Civilian Personnel, to be implemented in four (4) tranches, shall be as follows:

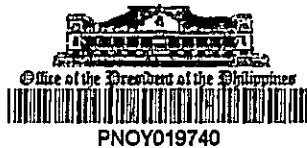
First Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,478	9,568	9,660	9,753	9,846	9,949	10,036	10,132
2	10,159	10,255	10,351	10,449	10,547	10,647	10,747	10,848
3	10,883	10,985	11,089	11,193	11,298	11,405	11,512	11,621
4	11,658	11,767	11,878	11,990	12,103	12,217	12,333	12,448
5	12,488	12,644	12,725	12,844	12,965	13,087	13,211	13,335
6	13,378	13,504	13,630	13,759	13,889	14,020	14,152	14,285
7	14,331	14,466	14,602	14,740	14,878	15,018	15,159	15,303
8	15,368	15,519	15,670	15,823	15,978	16,133	16,291	16,450
9	16,512	16,671	16,830	16,992	17,155	17,319	17,485	17,653
10	17,730	17,900	18,071	18,245	18,420	18,634	18,775	18,955
11	19,077	19,286	19,496	19,709	19,925	20,142	20,362	20,585
12	20,651	20,870	21,091	21,315	21,540	21,769	21,999	22,232
13	22,328	22,564	22,804	23,045	23,289	23,536	23,786	24,037
14	24,141	24,396	24,655	24,916	25,180	25,447	25,717	25,989
15	26,192	26,489	26,790	27,094	27,401	27,712	28,027	28,344
16	28,417	28,740	29,066	29,396	29,729	30,066	30,408	30,752
17	30,831	31,183	31,536	31,893	32,255	32,622	32,991	33,366
18	33,452	33,831	34,215	34,603	34,996	35,393	35,795	36,201
19	36,409	36,857	37,312	37,771	38,237	38,709	39,186	39,670
20	39,768	40,259	40,755	41,258	41,766	42,281	42,802	43,330
21	43,439	43,974	44,517	45,066	45,621	46,183	46,753	47,329
22	47,448	48,032	48,625	49,224	49,831	50,445	51,067	51,697
23	51,826	52,466	53,112	53,767	54,430	55,101	55,781	56,468
24	56,610	57,308	58,014	58,730	59,453	60,187	60,928	61,679
25	61,971	62,735	63,508	64,291	65,083	65,885	66,698	67,520
26	67,690	68,524	69,369	70,224	71,090	71,967	72,855	73,751
27	73,937	74,849	75,771	76,705	77,651	78,608	79,577	80,567
28	80,760	81,756	82,764	83,784	84,817	85,862	86,921	87,993
29	88,214	89,301	90,402	91,516	92,644	93,786	94,943	96,113
30	96,354	97,543	98,745	99,962	101,195	102,442	103,705	104,984
31	117,086	118,623	120,180	121,758	123,356	124,975	126,616	128,278
32	135,376	137,174	138,996	140,843	142,714	144,610	146,531	148,478
33	160,924	165,752						



Second Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,981	10,072	10,165	10,258	10,352	10,453	10,543	10,640
2	10,667	10,761	10,856	10,952	11,049	11,147	11,245	11,345
3	11,387	11,488	11,589	11,691	11,795	11,899	12,004	12,110
4	12,155	12,262	12,371	12,480	12,591	12,702	12,814	12,927
5	12,975	13,117	13,206	13,322	13,440	13,559	13,679	13,799
6	13,851	13,973	14,096	14,221	14,347	14,474	14,602	14,731
7	14,785	14,916	15,048	15,181	15,315	15,450	15,587	15,725
8	15,818	15,969	16,121	16,275	16,430	16,586	16,744	16,903
9	16,986	17,142	17,299	17,458	17,618	17,780	17,943	18,108
10	18,217	18,385	18,553	18,724	18,896	19,095	19,244	19,421
11	19,620	19,853	20,088	20,326	20,567	20,811	21,058	21,307
12	21,387	21,626	21,868	22,113	22,361	22,611	22,864	23,120
13	23,257	23,517	23,780	24,047	24,315	24,587	24,863	25,141
14	25,290	25,573	25,859	26,149	26,441	26,737	27,036	27,339
15	27,565	27,887	28,214	28,544	28,877	29,214	29,557	29,902
16	30,044	30,396	30,751	31,111	31,474	31,843	32,215	32,592
17	32,747	33,131	33,518	33,909	34,306	34,707	35,113	35,524
18	35,693	36,111	36,532	36,960	37,392	37,829	38,272	38,719
19	39,151	39,685	40,227	40,776	41,333	41,898	42,470	43,051
20	43,250	43,841	44,440	45,047	45,662	46,285	46,917	47,559
21	47,779	48,432	49,094	49,764	50,443	51,132	51,831	52,539
22	52,783	53,503	54,234	54,975	55,726	56,487	57,258	58,040
23	58,310	59,106	59,913	60,732	61,561	62,402	63,255	64,118
24	64,416	65,296	66,187	67,092	68,008	68,937	69,878	70,832
25	71,476	72,452	73,441	74,444	75,461	76,491	77,536	78,595
26	78,960	80,039	81,132	82,240	83,363	84,502	85,657	86,825
27	87,229	88,420	89,628	90,852	92,093	93,351	94,625	95,925
28	96,363	97,679	99,013	100,366	101,736	103,126	104,534	105,962
29	106,454	107,908	109,382	110,875	112,390	113,925	115,481	117,058
30	117,601	119,208	120,836	122,486	124,159	125,855	127,573	129,316
31	152,325	154,649	157,008	159,404	161,836	164,305	166,812	169,357
32	177,929	180,700	183,513	186,372	189,274	192,221	195,215	198,255
33	215,804	222,278						



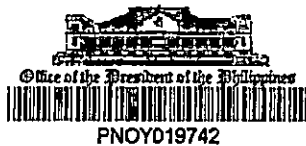
Third Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	10,510	10,602	10,695	10,789	10,884	10,982	11,076	11,173
2	11,200	11,293	11,386	11,480	11,575	11,671	11,767	11,864
3	11,914	12,013	12,112	12,212	12,313	12,414	12,517	12,620
4	12,674	12,778	12,884	12,990	13,097	13,206	13,315	13,424
5	13,481	13,606	13,705	13,818	13,932	14,047	14,163	14,280
6	14,340	14,459	14,578	14,699	14,820	14,942	15,066	15,190
7	15,254	15,380	15,507	15,635	15,765	15,895	16,026	16,158
8	16,282	16,433	16,585	16,739	16,895	17,051	17,209	17,369
9	17,473	17,627	17,781	17,937	18,095	18,253	18,413	18,575
10	18,718	18,883	19,048	19,215	19,384	19,567	19,725	19,898
11	20,179	20,437	20,698	20,963	21,231	21,502	21,777	22,055
12	22,149	22,410	22,674	22,942	23,212	23,486	23,763	24,043
13	24,224	24,510	24,799	25,091	25,387	25,686	25,989	26,296
14	26,494	26,806	27,122	27,442	27,766	28,093	28,424	28,759
15	29,010	29,359	29,713	30,071	30,432	30,799	31,170	31,545
16	31,765	32,147	32,535	32,926	33,323	33,724	34,130	34,541
17	34,781	35,201	35,624	36,053	36,487	36,927	37,371	37,821
18	38,085	38,543	39,007	39,477	39,952	40,433	40,920	41,413
19	42,099	42,730	43,371	44,020	44,680	45,350	46,030	46,720
20	47,037	47,742	48,457	49,184	49,921	50,669	51,428	52,199
21	52,554	53,341	54,141	54,952	55,776	56,612	57,460	58,322
22	58,717	59,597	60,491	61,397	62,318	63,252	64,200	65,162
23	65,604	66,587	67,585	68,598	69,627	70,670	71,730	72,805
24	73,299	74,397	75,512	76,644	77,793	78,959	80,143	81,344
25	82,439	83,674	84,928	86,201	87,493	88,805	90,136	91,487
26	92,108	93,488	94,889	96,312	97,755	99,221	100,708	102,217
27	102,910	104,453	106,019	107,608	109,221	110,858	112,519	114,210
28	114,981	116,704	118,453	120,229	122,031	123,860	125,716	127,601
29	128,467	130,392	132,346	134,330	136,343	138,387	140,461	142,566
30	143,534	145,685	147,869	150,085	152,335	154,618	156,935	159,288
31	198,168	201,615	205,121	208,689	212,318	216,011	219,768	223,590
32	233,857	238,035	242,288	246,618	251,024	255,509	260,074	264,721
33	289,401	298,083						



Fourth Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	11,068	11,160	11,254	11,348	11,443	11,538	11,635	11,732
2	11,761	11,851	11,942	12,034	12,126	12,219	12,313	12,407
3	12,466	12,562	12,658	12,756	12,854	12,952	13,052	13,152
4	13,214	13,316	13,418	13,521	13,625	13,729	13,835	13,941
5	14,007	14,115	14,223	14,332	14,442	14,553	14,665	14,777
6	14,847	14,961	15,076	15,192	15,309	15,426	15,545	15,664
7	15,738	15,859	15,981	16,104	16,227	16,352	16,477	16,604
8	16,758	16,910	17,063	17,217	17,372	17,529	17,688	17,848
9	17,975	18,125	18,277	18,430	18,584	18,739	18,896	19,054
10	19,233	19,394	19,556	19,720	19,884	20,051	20,218	20,387
11	20,754	21,038	21,327	21,619	21,915	22,216	22,520	22,829
12	22,938	23,222	23,510	23,801	24,096	24,395	24,697	25,003
13	25,232	25,545	25,861	26,181	26,506	26,834	27,166	27,503
14	27,755	28,099	28,447	28,800	29,156	29,517	29,883	30,253
15	30,531	30,909	31,292	31,680	32,072	32,469	32,871	33,279
16	33,584	34,000	34,421	34,847	35,279	35,716	36,159	36,606
17	36,942	37,400	37,863	38,332	38,807	39,288	39,774	40,267
18	40,637	41,140	41,650	42,165	42,688	43,217	43,752	44,294
19	45,269	46,008	46,759	47,522	48,298	49,086	49,888	50,702
20	51,155	51,989	52,838	53,700	54,577	55,468	56,373	57,293
21	57,805	58,748	59,707	60,681	61,672	62,678	63,701	64,741
22	65,319	66,385	67,469	68,570	69,689	70,827	71,983	73,157
23	73,811	75,015	76,240	77,484	78,749	80,034	81,340	82,668
24	83,406	84,767	86,151	87,557	88,986	90,439	91,915	93,415
25	95,083	96,635	98,212	99,815	101,444	103,100	104,783	106,493
26	107,444	109,197	110,980	112,791	114,632	116,503	118,404	120,337
27	121,411	123,393	125,407	127,454	129,534	131,648	133,797	135,981
28	137,195	139,434	141,710	144,023	146,373	148,763	151,191	153,658
29	155,030	157,561	160,132	162,746	165,402	168,102	170,845	173,634
30	175,184	178,043	180,949	183,903	186,904	189,955	193,055	196,206
31	257,809	262,844	267,978	273,212	278,549	283,989	289,536	295,191
32	307,365	313,564	319,887	326,338	332,919	339,633	346,483	353,470
33	388,096	399,739						



Section 4. Mid-Year Bonus. Beginning FY 2016, a Mid-Year Bonus equivalent to one (1) month basic salary as of May 15, shall be granted to those who have rendered at least four (4) months of satisfactory service and are still in the service as of same date, to be given not earlier than May 15 of every year. This shall be in addition to the Standard Allowances and Benefits under the Total Compensation Framework embodied in the Congress Joint Resolution No. 4 (s. 2009). The existing Year-End Bonus equivalent to one (1) month basic salary and Cash Gift at prescribed rates shall be given in November of every year.

Section 5. Enhanced Performance-Based Bonus. The existing PBB granted to qualified government personnel, including those in LGUs, shall be enhanced to strengthen its results orientation, to be given in an amount equivalent to one (1) month basic salary up to two (2) months basic salary, to be implemented in two (2) phases starting in FY 2017. The PBB shall be subject to the achievement by departments or agencies, including LGUs and individual employees of their performance targets or commitments and compliance with good governance and other conditions.

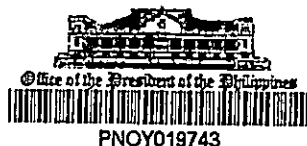
The grant of the enhanced PBB shall be based on a progressive rate system. As the position and responsibility in improving agency performance becomes higher, so is the amount of PBB.

The Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems created under Administrative Order No. 25 (s. 2011) shall prescribe the conditions on eligibility and procedures for the grant of the enhanced PBB, including the ranking system to recognize differences in levels of performance.

Section 6. Productivity Enhancement Incentive. Beginning FY 2016, the Productivity Enhancement Incentive shall be given not earlier than December 15 of every year to all qualified government employees at Five Thousand Pesos (P5,000) each for the purpose of improving the government employees' productivity.

Section 7. Provisional Allowance Schedule for Military and Uniformed Personnel. A monthly Provisional Allowance shall be given to the MUP to be implemented in four (4) tranches, as follows, in lieu of increases in base pay:

DND	DILG		PCG	NAMRIA	Monthly Provisional Allowance			
	BJMP and BFP	PNP and PPSC			First Tranche	Second Tranche	Third Tranche	Fourth Tranche
Candidate Soldier					287	347	842	1,149
Private	Fire/Jail Officer I	Police Officer I	Apprentice Seaman/ Seaman Third Class	Apprentice Seaman/ Seaman Third Class	342	700	1,071	1,457



DND	DILG		PCG	NAMRIA	Monthly Provisional Allowance			
	BJMP and BFP	PNP and PPSC			First Tranche	Second Tranche	Third Tranche	Fourth Tranche
Private First Class			Seaman Second Class	Seaman Second Class	514	1,050	1,612	2,199
Corporal	Fire/Jail Officer II	Police Officer II	Seaman First Class	Seaman First Class	673	1,378	2,120	2,899
Sergeant			Petty Officer III	Petty Officer III	836	1,718	2,650	3,633
Staff Sergeant	Fire/Jail Officer III	Police Officer III	Petty Officer II	Petty Officer II	992	2,043	3,157	4,339
Technical Sergeant			Petty Officer I	Petty Officer I	1,196	2,471	3,826	5,268
Master Sergeant	Senior Fire/Jail Officer I	Senior Police Officer I	Chief Petty Officer	Chief Petty Officer	1,429	2,954	4,584	6,325
Senior Master Sergeant	Senior Fire/Jail Officer II	Senior Police Officer II	Senior Chief Petty Officer	Senior Chief Petty Officer	1,688	3,500	5,442	7,525
Chief Master Sergeant	Senior Fire/Jail Officer III	Senior Police Officer III	Master Chief Petty Officer	Master Chief Petty Officer	2,081	4,331	6,760	9,384
First Chief Master Sergeant	Senior Fire/Jail Officer IV	Senior Police Officer IV	First Master Chief Petty Officer	First Master Chief Petty Officer	2,651	5,547	8,711	12,165
Cadet		Cadet	Cadet		2,651	5,547	8,711	12,165
Probationary Second Lieutenant					2,651	5,547	8,711	12,165
Second Lieutenant			Ensign	Ensign	3,341	7,030	11,104	15,598
First Lieutenant	Inspector	Inspector	Lieutenant Junior Grade	Lieutenant Junior Grade	4,092	8,661	13,761	19,452
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	Lieutenant Senior Grade	5,003	10,652	17,026	24,215
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	Lieutenant Commander	5,853	12,533	20,156	28,849
Lieutenant Colonel	Superintendent	Superintendent	Commander	Commander	7,061	15,228	24,671	35,584
Colonel	Senior Superintendent	Senior Superintendent	Captain	Captain	8,304	18,016	29,370	42,639
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	Commodore	9,708	21,189	34,760	50,799
Major General	Director	Director	Rear Admiral	Rear Admiral	10,679	24,795	40,935	60,222



DND	DILG		PCG	NAMRIA	Monthly Provisional Allowance			
	BJMP and BFP	PNP and PPSC			First Tranche	Second Tranche	Third Tranche	Fourth Tranche
			Vice Admiral	Vice Admiral	11,747	28,198	46,594	68,713
Lieutenant General		Deputy Director General	Admiral	Admiral	12,922	31,221	51,873	76,825
General		Director General			14,214	35,260	63,977	95,399

The Provisional Allowance shall be given as an interim measure to supplement the total compensation of MUP until such time that their Base Pay Schedule is rationalized in consideration of the pension implications of base pay adjustment of personnel in the active service under existing laws.

Section 8. Hazard Pay. The Hazard Pay of all military and uniformed personnel shall be increased from the current rate of Two Hundred Forty Pesos (P240) per month to the following rates:

- a) Starting January 1, 2016, Three Hundred Ninety Pesos (P390) per month;
- b) By January 1, 2017, Five Hundred Forty Pesos (P540) per month;
- c) By January 1, 2018, Six Hundred Ninety Pesos (P690) per month; and
- d) By January 1, 2019, Eight Hundred Forty Pesos (P840) per month.

Section 9. Officers' Allowance. An Officers' Allowance shall be given to the following MUP ranks, likewise as an interim measure until such time that the Base Pay Schedule is modified and rationalized, at the rates below:

DND	DILG		PCG	NAMRIA	Monthly Officers' Allowance			
	BJMP and BFP	PNP and PPSC			First Tranche	Second Tranche	Third Tranche	Fourth Tranche
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	Lieutenant Senior Grade	1,000	3,000	4,500	7,000
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	Lieutenant Commander	1,500	4,500	6,500	11,000
Lieutenant Colonel	Superintendent	Superintendent	Commander	Commander	2,000	6,000	8,500	13,000
Colonel	Senior Superintendent	Senior Superintendent	Captain	Captain	3,000	7,500	10,500	15,000
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	Commodore	4,000	9,000	12,500	17,000

DND	DILG		PCG	NAMRIA	Monthly Officers' Allowance			
	BJMP and BFP	PNP and PPSC			First Tranche	Second Tranche	Third Tranche	Fourth Tranche
Major General	Director	Director	Rear Admiral	Rear Admiral	5,000	10,500	15,000	20,000
			Vice Admiral	Vice Admiral	6,000	12,000	18,000	25,000
Lieutenant General		Deputy Director General	Admiral	Admiral	7,000	13,000	21,000	30,000
General		Director General			9,000	18,000	25,000	35,000

Section 10. Compensation Adjustment for LGU Personnel. The modified Salary Schedule and additional benefits authorized herein for civilian personnel may likewise be granted to LGU personnel, subject to the following:

- a) Authorization from their respective *sanggunian* as provided under Sections 447(a), 458(a) and 468(a) of RA No. 7160; and
- b) Compliance with the Personnel Services (PS) limitation set under Sections 325 and 331 of RA No. 7160.

LGUs shall likewise comply with the following rules in the implementation of the modified salary schedule and grant of additional benefits:

- i. The implementation of the modified Salary Schedule for LGU personnel, including the rate of Representation and Transportation Allowances, shall further correspond to the LGU's income classification and shall not therefore exceed the percentage of the Salary Schedule in Section 3 hereof, as follows:

Percentage of the Salary Schedule		
	For Provinces/Cities	For Municipalities
Special Cities	100%	
1st Class	100%	90%
2nd Class	95%	85%
3rd Class	90%	80%
4th Class	85%	75%
5th Class	80%	70%
6th Class	75%	65%

- ii. The basic pay of barangay personnel shall be in the form of honoraria which shall not exceed the percentage of the Salary Schedule corresponding to the income classification of the LGU. They may likewise receive Mid-Year Bonus

and Year-End Bonus based on the monthly honoraria as of May 15 and October 31 of the year, respectively, and Cash Gift of Five Thousand Pesos (P5,000).

However, the minimum Year-End Bonus of One Thousand Pesos (P1,000) for the punong barangay and Six Hundred Pesos (P600) for other mandatory barangay officials shall not be subject to the PS limitation.

Section 11. Implementation Schedule. The modified Salary Schedule and additional benefits authorized herein shall be implemented in National Government Agencies as follows, subject to appropriations by Congress:

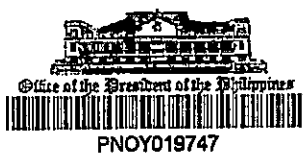
- a. Starting January 1, 2016, the first tranche salary schedule for civilian personnel and the first tranche Provisional Allowance, Officers' Allowance and Hazard Pay for MUP, together with the Mid-Year Bonus.
- b. By January 1, 2017, the second tranche salary schedule for civilian personnel and the second tranche Provisional Allowance, Officers' Allowance and Hazard Pay for MUP, the Mid-Year Bonus and half of the enhanced PBB;
- c. By January 1, 2018, the third tranche salary schedule for civilian personnel and the third tranche Provisional Allowance, Officers' Allowance and Hazard Pay for MUP, the Mid-Year Bonus and full amount of the enhanced PBB; and
- d. By January 1, 2019, the fourth tranche salary schedule for civilian personnel and the fourth tranche Provisional Allowance, Officers' Allowance and Hazard Pay for MUP, the Mid-Year Bonus and full amount of the enhanced PBB.

For covered GOCCs and LGUs, the implementation of the compensation adjustments shall be in at least four (4) years depending on their respective financial capability, with each tranche starting not earlier than the dates stated above. GOCCs and LGUs which do not have adequate or sufficient funds shall partially implement the modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at uniform percentage across all positions for every GOCC/LGU.

Section 12. Retroactive Application. The first tranche implementation of the modified Salary Schedule for civilian personnel, the grant of the Provisional Allowance, Officers' Allowance and increased Hazard Pay for the MUP, shall be effective January 1, 2016.

For covered GOCCs and LGUs, the retroactive application of the first tranche shall be subject to their financial capabilities and compliance with other requirements under existing laws.

Section 13. Exempt Entities. The following exempt entities shall not be covered by the modified Salary Schedule and additional benefits authorized herein: (i) government



agencies, including GOCCs that are exempted from the coverage of RA No. 6758, as amended, as provided in their respective enabling law or charter; and (ii) GOCCs governed by the CPCS established by the Governance Commission for GOCCs (GCG) and approved by the President of the Philippines, under RA No. 10149.

They shall be governed by their respective CPCS which shall be made effective upon the recommendation of the DBM or the Governance Commission for GOCCs, as the case may be, and approval by the President of the Philippines.

Section 14. Applicability to Certain Officials. Consistent with the policy under Section 6 of Article VII and Section 10 of Article VI of the Constitution, the salaries authorized herein for the President, Vice President and Members of Congress shall take effect only after the expiration of the respective terms of the incumbents.

The implementation of this Executive Order with respect to the regular members of the Cabinet shall be effective starting July 1, 2016.

Section 15. Funding Source. The funding sources for the amounts necessary to implement this Executive Order shall be as follows:

- a) For national government agencies funded in the GAA, the amount needed for the compensation adjustment in FY 2016 shall be charged against the appropriations provided in the FY 2016 GAA.

The funding requirements for the compensation adjustment in FYs 2017, 2018 and 2019 will be included in the proposed annual National Expenditure Program submitted to Congress for its approval. The DBM, following the compensation adjustment strategy embodied in Section 1 hereof, and consistent with its authority under Section 7 of RA No. 6758, as amended, shall then be authorized to implement or adjust the compensation corresponding to the appropriations provided in the GAA.

- b) For GOCCs, the amounts shall come from their respective corporate funds in the corporate operating budgets approved by DBM.
- c) For LGUs, the amounts shall be charged against their respective funds in accordance with the pertinent provisions of this Order and RA No. 7160.

Section 16. Implementing guidelines. The DBM shall issue the guidelines necessary to implement the provisions of this Order.

Section 17. Separability. Should any provision of this Order be declared invalid or unconstitutional, the other provisions unaffected thereby shall remain valid and subsisting.

Section 18. Repeal. All other rules, regulations and issuances, or parts thereof which are inconsistent with this Order are hereby repealed or modified accordingly..

Section 19. Effectivity. – This Order shall take effect immediately upon its publication in a newspaper of general circulation.

DONE, in the city of Manila, this 19th day of February in the year of Our Lord, Two Thousand and Sixteen.



By the President:



PAQUITO N. OCHOA JR.
Executive Secretary

