



**Department of Budget and Management
Department of Social Welfare and Development**



Joint Circular No. 1, s. 2018

TO : Heads of Departments, Agencies, and Other Offices of the National Government, Including State Universities and Colleges (SUCs), and Government-Owned or -Controlled Corporations (GOCCs); Chief Executives of Local Government Units (LGUs); and All Others Concerned

SUBJECT : Rules and Regulations on the Grant of Compensation-Related Magna Carta Benefits to Public Social Workers (PSWs)

1.0 Background Information

- 1.1 Under Section 23 of Republic Act (R.A.) No. 9433¹, the Social Work Management and Consultative Council, upon consultation with the Chairperson of the Senate Committee on Social Justice, Welfare and Rural Development and the Chairperson of the House Committee on Social Services, shall formulate the necessary rules and regulations, not inconsistent with any provisions of this law, for the implementation of the Magna Carta for PSWs.
- 1.2 On the other hand, Item (6), "Magna Carta Benefits," of the Congress Joint Resolution (JR) No. 4, s. 2009², provides that the Department of Budget and Management (DBM), in coordination with the agencies concerned, shall determine the qualifications, conditions, and rates in the grant of said benefits, and to determine those that may be categorized under the Total Compensation Framework. It further states that the consultative councils, departments, and officials previously authorized to issue the implementing rules and regulations of Magna Carta benefits shall no longer exercise said functions relative to the grant of said benefits.
- 1.3 Pursuant to the compensation principles espoused under Congress JR No. 4, s. 2009, the grant of compensation-related Magna Carta benefits to PSWs needs to be rationalized to ensure equity and uniformity in remuneration.

¹ An Act Providing for a Magna Carta for Public Social Workers, approved on April 11, 2007

² Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for Other Purposes, approved on June 17, 2009

2.0 Purpose

This Joint Circular (JC) is issued to prescribe the rules and regulations on the grant of the following compensation-related Magna Carta benefits to PSWs:

- 2.1 Additional Compensation for Services Beyond the Normal Work Hours and on Non-Working Days;
- 2.2 Hazard Pay;
- 2.3 Subsistence Allowance;
- 2.4 Transportation/Travel Expenses;
- 2.5 Longevity Pay;
- 2.6 Free Living Quarters or Quarters Allowance;
- 2.7 Highest Basic Salary Upon Retirement; and
- 2.8 Clothing Allowance.

3.0 Coverage

- 3.1 This JC covers civilian PSWs in departments, agencies, and other offices of the National Government, including SUCs and GOCCs, and in LGUs holding regular, contractual, and casual positions; rendering services on full-time or part-time basis; and whose positions are either covered or not covered by R.A. No. 6758, "*Compensation and Position Classification Act of 1989*," as amended.

Public Social Welfare and Development Workers (PSWDWs) are covered only insofar as the grant of Hazard Pay is concerned.

- 3.2 PSWs and PSWDWs are those who fall under the following definitions of these terms in Sec. 3 of RA No. 9433, as follows:

3.2.1 **Public Social Worker (PSW)** – refers to a registered social worker employed in the government service.

3.2.2 **Public Social Welfare and Development Worker (PSWDW)** – refers to a worker employed in a government social welfare and development agency other than the public social worker, as defined herein.

- 3.3 In determining whether personnel may be considered as PSWs, the DSWD Secretary or authorized representative shall certify that the:

3.3.1 Social welfare and development (SWD) functions of an agency are authorized by law or by proper authority;

3.3.2 The positions concerned are part of the authorized staffing of the organizational units performing the SWD functions; and

3.3.3 The incumbents thereof are actually engaged in social work.

The DSWD shall issue separate guidelines on this matter.

4.0 Additional Compensation for Services Beyond the Normal Work Hours and on Non-Working Days

In line with Sections 10 and 11 of R.A. No. 9433, a PSW who may be required to render services beyond the normal eight (8) hours per day or forty (40) hours a week may be paid additional compensation.

Such additional compensation may take any of the following forms:

4.1 Overtime Pay

A PSW may be given Overtime Pay at the same rates, conditions, and limitations applicable to qualified government personnel prescribed under Civil Service Commission (CSC)-DBM Joint Circular No. 2, s. 2015³ dated November 25, 2015.

4.2 Compensatory Overtime Credits

In the absence of, or due to insufficiency of funds for payment of Overtime Pay, a PSW may be authorized to earn Compensatory Overtime Credits and avail them as Compensatory Time-Off at the same rates, conditions, and limitations prescribed under CSC-DBM JC Nos. 2⁴ and 02-A⁵, s. 2004 and 2005, respectively.

5.0 Hazard Pay

Hazard Pay is an additional compensation for performing hazardous duties and for enduring physical hardships in the course of the performance of duties.

As a general compensation policy, and in line with Sec. 15(a) of R.A. No. 9433, Hazard Allowance (henceforth to be called Hazard Pay), may be granted to PSWs and PSWDWs only if the nature of the duties and responsibilities of their positions, their actual services, and location of work expose them to great danger, occupational risks, perils to life, and physical hardships; and only during periods of actual exposure to hazards and hardships.

5.1 Pursuant thereto, Hazard Pay may be granted to PSWs and PSWDWs assigned in remote and depressed areas, strife-torn or embattled areas, distressed or isolated stations, mental hospitals, leprosaria; and areas declared under a state of calamity or emergency which expose them to great danger; volcanic activity/eruption; and occupational risks or threats to life as determined by the Head of the Unit with the approval of the Head of Agency/Local Chief Executive, as the case may be. Occupational risks can be further defined as situations wherein the PSW and PSWDW are exposed to dangers brought about by the types of cases or clientele they handle such as, but not limited to, child labor cases, children in

³ Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees

⁴ Non-Monetary Remuneration for Overtime Services Rendered, issued on October 4, 2004

⁵ Amendments to CSC-DBM Joint Circular (JC) No. 2, s. 2004 re: Non-Monetary Remuneration for Overtime Services Rendered, issued on July 1, 2005

against women and children, women in especially difficult circumstances, drug dependents, mentally ill and clients with contagious diseases.

5.2 Determination of Personnel Exposed to Hazards

5.2.1 Each Head of the Agency engaged in the provision of social work and welfare programs shall establish a procedure for identifying the positions in the plantilla with the corresponding duties that entail exposure to great danger, occupational risks, perils to life and physical hardships, and the incumbent personnel who are actually exposed to these hazardous areas and occupational risks, including the duration of their exposure.

5.2.2 The grant of Hazard Pay shall be coterminous with the duration of the actual assignment of the official or employee in the work areas or situations enumerated in item 5.1 hereof.

5.3 Rates of Hazard Pay (HP)

5.3.1. PSWs and PSWDWs who have rendered actual work in hazardous areas may be compensated with Hazard Pay equivalent to twenty percent (20%) of their basic salary. The rate of Hazard Pay shall be reckoned on a daily basis using the following formula:

$$\text{Daily rate} = \left(\frac{\text{monthly basic salary}}{22 \text{ days}} \right) \times 20\%$$

$$\text{Hazard Pay/month} = \text{daily rate} \times \text{no. of days of actual exposure}$$

5.3.2. Officials and employees who are under the following instances shall not be entitled to Hazard Pay:

5.3.2.1. Those on authorized leave of absence with or without pay. This shall include all types of leave in accordance with the rules of the Civil Service Commission; and

5.3.2.2. Those attending training, seminar, scholarship, or any similar activity.

6.0 Subsistence Allowance

6.1 Pursuant to Sec. 15 (b) of R.A. No. 9433, PSWs who render services in communities, institutions, hospitals, and other locations and are required to make their services available at any and all times may be granted daily Subsistence Allowance.

6.2 The Subsistence Allowance shall be P50.00 for each day of actual full-time service, or P25 for each day of actual part-time service.

- 6.3 PSWs under the following circumstances are not entitled to Subsistence Allowance:
 - 6.3.1 When not required to make their services available at all times such that they can leave their work stations during break-times;
 - 6.3.2 When on leave of absence, with or without pay;
 - 6.3.3 While on official travel and entitled to travel expenses under E.O. No. 298⁶, s. 2004, as amended; and
 - 6.3.4 While attending trainings, seminars, workshops, and similar activities where meals are provided.

7.0 Transportation/Travel Expenses

PSWs assigned outside of their regular work stations shall be entitled to the daily travel expenses in accordance with E.O. No. 298, s. 2004 in lieu of Subsistence Allowance. Actual transportation expense shall also be allowed for PSWs on field work.

8.0 Longevity Pay (LP)

- 8.1 Pursuant to Sec. 15(d) of RA No. 9433, a PSW may be granted LP at 5% of his/her current monthly basic salary, in recognition of every five years of continuous, efficient, and meritorious services rendered as certified by the chief of office concerned. The grant thereof is based on the following criteria:
 - 8.1.1 The PSW holds a position in the agency plantilla of regular positions;
 - 8.1.2 The PSW has rendered at least satisfactory performance; and
 - 8.1.3 The PSW has not been found guilty of any administrative or criminal case within all rating periods covered by the 5-year period.
- 8.2 PSWs in the service as of the effectivity of this JC may be granted LP for every five (5) years of continuous service. For those granted step increment due to length of service in previous years, the first LP shall be granted after 5 years from the effectivity of the last step increment.
- 8.3 The first Longevity Pay, LP₁, shall be based on the monthly basic salary, S₁, as of the LP₁ effectivity, upon completion of the first 5 years of service as PSW. The second Longevity Pay, LP₂, shall be based on the monthly basic salary, S₂, as of the LP₂ effectivity, and so on.

⁶ Amending Further Executive Order No. 248 dated May 29, 1995 as Amended by Executive Order No. 248-A dated August 14, 1995, which Prescribes Rules and Regulations and New Rates of Allowances for Official Local and Foreign Travels of Government Personnel, approved on March 23, 2004

The total Longevity Pay, LP_T , at any given time shall be the sum of LP_1 up to the latest Longevity Pay, LP_n . Thus,

$$\begin{aligned}LP_1 &= (0.05) (S_1) \\LP_2 &= (0.05) (S_2) \\LP_n &= (0.05) (S_n) \\LP_T &= LP_1 + LP_2 + \dots LP_n\end{aligned}$$

- 8.4 The latest LP may be adjusted due to any of the following circumstances:
- 8.4.1 Salary increase pursuant to existing law and executive order issued by the President of the Philippines;
 - 8.4.2 Salary increase due to promotion; and
 - 8.4.3 Salary step increment due to meritorious performance, and other step increments authorized under existing laws, except due to length of service.
- 8.5 The LP shall be a separate benefit not integrated into the basic salary.
- 8.6 The grant of LP to a PSW on leave of absence with or without pay for more than three (3) months shall be deferred corresponding to the period of leave of absence in order to complete the service and performance rating requirements.
- 8.7 On or after the effectivity of this JC, a PSW previously granted Step Increment Due to Length of Service shall no longer be granted subsequent Step Increment Due to Length of Service in view of the prohibition in Item (4)(d) of Congress JR No. 4, s. 2009. Likewise, a PSW hired on or after the effectivity of this JC shall not be granted Step Increment Due to Length of Service.
- 8.8 A PSW shall be issued a Notice of LP or a Notice of LP Increase, as the case may be, by following the formats attached as Annex "A1" and Annex "A2," respectively.

9.0 Free Living Quarters and Quarters Allowance

- 9.1 In line with Sec. 15 (c) of R.A. No. 9344, free housing within the agency premises may be provided to PSWs who are reassigned to another place of work due to the exigency of the service, provided that the reassignment is not due to (1) promotion, (2) request of the employee, or (3) disciplinary action.
- 9.2 In the absence of free living quarters, a qualified PSW who has no residence within the fifty (50) kilometer radius from such government facility, may be granted Quarters Allowance at the prevailing room rental rate in the locality, until free living quarters are available.

10.0 Highest Basic Salary Upon Retirement

- 10.1 In view of Section 14 of R.A. No. 9433, a PSW who holds a position in the agency plantilla of regular positions may be granted salary increase corresponding to one salary grade higher than his/her monthly basic salary upon retirement pursuant to existing laws. This shall serve as basis for the computation of Retirement and Terminal Leave Benefits.
- 10.2 The one (1) salary grade increase shall be based on the applicable salary schedule for the national government agencies (NGAs), GOCC, or LGU concerned. For example, if the salary of a PSW is at SG-18, Step 7, it shall be adjusted to SG-19, Step 7.
- 10.3 The PSW concerned shall be issued a Notice of Salary Increase by following the format attached as Annex "B."

11.0 Clothing Allowance

PSWs shall be given an annual clothing allowance subject to the amounts authorized under the annual General Appropriations Act.

12.0 General Conditions on the Grant of Magna Carta Benefits

- 12.1 The grant of compensation-related Magna Carta benefits to PSWs and PSWDWs shall be subject to availability of funds. In case of insufficiency or lack of funds, the benefits may be granted at lower rates which shall be applied uniformly or proportionately to all the PSWs and PSWDWs concerned in an agency for a specific period. The agency head shall determine the priority benefits that can be supported by available funds.

In the case of LGUs, the grant of Magna Carta benefits to PSWs and PSWDWs shall be further subject to the Personnel Services limitation under Sections 325(a) and 331(b) of R.A. No. 7160 or the Local Government Code of 1991.

- 12.2 PSWs and PSWDWs shall not be entitled to back Magna Carta benefits for prior years.
- 12.3 The prohibition on double compensation under Section 8, Article IX-B of the Philippine Constitution shall be complied with.

13.0 Fund Source

The source of funds to implement the provision of this JC shall be as follows, subject to item 12.1 above:

- 13.1 For NGAs, the amounts required for the payment of Magna Carta benefits shall be charged against their respective agency budgets. The modification of allotment for the purpose of such payment should conform to the applicable General Provisions of the annual General Appropriations Act.

13.2 For GOCCs, the amounts required shall be charged against their respective approved corporate operating budgets.

13.3 For LGUs, the amounts required shall be charged against their respective local government funds.

14.0 Responsibilities of Agency Heads and Other Officers

14.1 Agency Heads or Local Chief Executives shall be held responsible for the proper implementation of the provisions of this JC.

14.2 They may issue such agency internal guidelines providing specific criteria and administrative procedures on the grant of each Magna Carta benefit as supplement to this JC.

14.3 The responsible officers shall be held liable for any grant or payment of Magna Carta benefits not in accordance with the provisions of this JC without prejudice, however, to the refund of any undue payment received by the PSW or PSWDW concerned.

15.0 Resolution of Cases

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

16.0 Repealing Clause

All existing provisions of circulars or issuances on the grant of compensation-related Magna Carta benefits to PSWs that are inconsistent with the provisions of this JC are repealed or superseded accordingly.

17.0 Effectivity

This Joint Circular shall take effect on December 1, 2018.


BENJAMIN E. DIOKNO

Secretary

Department of Budget and Management




ROLANDO JOSELITO D. BAUTISTA

Secretary

Department of Social Welfare and
Development


December 27, 2018

NOTICE OF LONGEVITY PAY

Date: _____

Mr./Ms. _____

Dear Mr./Ms. _____:

Pursuant to sub-item 8.8 of the Department of Budget and Management and Department of Social Welfare and Development Joint Circular No. _____, s. _____, dated _____, implementing Section 15(d) of Republic Act No. 9433, otherwise known as "An Act Providing for a Magna Carta for Public Social Workers," your Second Longevity Pay as _____, SG- _____, Step _____, effective _____, shall be as follows:

- 1. Actual monthly basic salary at SG-_____ ₱ _____
- 2. Second Longevity Pay (5% of item 1)
Your Total Longevity Pay as of _____, follows:

First Longevity Pay as of _____ ₱ _____

Second Longevity Pay as of _____ ₱ _____

Total Longevity Pay ₱ _____

This Longevity Pay is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

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

Very truly yours,

Agency Head

*As an example

NOTICE OF LONGEVITY PAY INCREASE

Date: _____

Mr./Ms. _____

Dear Mr./Ms. _____:

Pursuant to sub-item 8.8 of the Department of Budget and Management and Department of Social Welfare and Development Joint Circular No. _____, s. _____, dated _____, implementing Section 15(d) of Republic Act No. 9433, otherwise known as "An Act Providing for a Magna Carta for Public Social Workers," your Second Longevity Pay as _____, SG- _____, Step _____, is re-adjusted effective _____, as follows:

- 1. Actual monthly basic salary at SG-_____ ₱ _____
- 2. Second Longevity Pay as of _____
Due to salary increase pursuant to _____
(5% of item 1) ₱ _____
- 3. Second Longevity Pay (granted prior to item 2) ₱ _____
- 4. Second Longevity Pay Increase
(item 2 less item 3) ₱ _____

This Longevity Pay increase is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

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

Very truly yours,

Agency Head

*As an example

NOTICE OF SALARY INCREASE

Date: _____

Mr./Ms. _____

Dear Mr./Ms. _____:

Pursuant to sub-item 10.3 of the Department of Budget and Management and Department of Social Welfare and Development Joint Circular No. _____, s. _____, dated _____, implementing Section 14 of Republic Act No. 9433, otherwise known as "An Act Providing for a Magna Carta for Public Social Workers," your salary as _____, SG-_____, is hereby adjusted effective _____, as follows:

- | | |
|---|---------|
| 1. Actual monthly basic salary at SG-____ | ₱ _____ |
| 2. Add: one (1) salary grade increase upon Retirement as Public Social Worker | ₱ _____ |
| 3. Adjusted monthly basic salary effective _____ | ₱ _____ |

This salary increase is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

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

Date of Retirement as Public Social Worker: _____

Very truly yours,

Agency Head