



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

LOCAL BUDGET CIRCULAR

No. 115
January 3, 2018

TO : All Provincial Governors; City and Municipal Mayors;
Barangay Chairpersons; Provincial/City/Municipal/*Barangay*
Sanggunian Members; Provincial/City/Municipal Treasurers,
Budget Officers, Human Resource Management Officers; and
Other Officials Concerned

SUBJECT : Implementation of the Third Tranche Compensation
Adjustment for Local Government Personnel

1.0 Background

Executive Order (EO) No. 201, s. 2016, entitled "Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel" was signed by the President in accordance with the authority vested in him under Presidential Decree (PD) No. 985¹, s. 1976, PD No. 1597², s. 1978, Republic Act (RA) No. 6758³, s. 1989, and Congress Joint Resolution (JR) No. 4⁴, s. 2009.

The issuance of EO No. 201 is consistent with the governing principle of the Compensation and Position Classification System, as espoused under Congress JR No. 4, that compensation of government personnel shall be generally comparable with those in the private sector doing comparable work in order to attract, retain, and motivate a core of competent civil servants.

EO No. 201 provided for at least a four-year (2016-2019) implementation of the compensation adjustment.

2.0 Purpose

This Circular is issued to prescribe the guidelines, rules and regulations for the implementation of the third tranche compensation adjustment in local government units (LGUs) stipulated under EO No. 201, s. 2016.

¹ A Decree Revising the Position Classification and Compensation Systems in the National Government, and Integrating the Same dated August 22, 1976

² Further Rationalizing the System of Compensation and Position Classification in the National Government dated June 11, 1978

³ An Act Prescribing a Revised Compensation and Position Classification System in the Government and for Other Purposes approved on August 21, 1989

⁴ 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

3.0 Coverage

This Circular covers:

- 3.1 All positions for salaried LGU personnel, whether regular, contractual, or casual in nature, elective or appointive, full-time or part-time, now existing or hereafter created in LGUs; and
- 3.2 All positions for *barangay* personnel which are paid monthly honoraria.

4.0 Exclusions

The following are excluded from the coverage of this Circular:

- 4.1 Those hired without employer-employee relationship and funded from non-Personnel Services (PS) appropriations, as follows:
 - 4.1.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
 - 4.1.2 Laborers hired through job contracts (*pakyaw*) and those paid on piecework basis;
 - 4.1.3 Student workers and apprentices; and
 - 4.1.4 Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

5.0 Third Tranche Monthly Salary Schedule

The implementation of the Third Tranche Monthly Salary Schedule shall be determined by the *sanggunian*, subject to the following conditions/considerations:

- 5.1 The salary rates shall be in accordance with the Third Tranche Monthly Salary Schedule for Local Government Personnel, corresponding to the LGU level and income classification as presented in Annexes "A-1" to "A-8."
- 5.2 The PS limitation in LGU budgets under Sections 325(a) and 331(b) of RA No. 7160, s. 1991 shall be complied with.
- 5.3 If funds are insufficient to implement fully the salary schedule for the LGU level and income class, or for purposes of complying with the PS limitation, the *sanggunian* may formulate a modified salary schedule with lower rates but at a uniform percentage of the rates in the applicable salary schedule in Annexes "A-1" to "A-8."
- 5.4 In the formulation of such salary schedule, LGUs shall ensure that they can fund on a sustainable basis the increased salaries, bonuses and incentives, including the government counterparts to the Retirement and Life Insurance Premiums, Pag-IBIG Contributions, PHILHEALTH

Contributions, and Employees Compensation Insurance Premiums, taking into account the regular annual income of the LGU and its expenditure and investment programs.

- 5.5 The salaries of Public Health Workers (PHWs) shall be determined by the *sanggunian* after considering and balancing the impact of the relevant provisions of EO No. 201, s. 2016, RA No. 7160, s. 1991, and RA No. 7305, s. 1992 on fiscal discipline, prioritization of expenditures, financial capability, and improvement of service delivery. The *sanggunian* may adopt any of the following options:

5.5.1 Adopt the salary rates authorized for personnel of Special Cities/First Class Provinces and Cities (Annex "A-1") for the PHWs of the LGU.

5.5.2 If LGU funds are not sufficient, adopt a modified salary schedule for PHWs but at a uniform percentage of the salaries in Annex "A-1," similar to the percentage applied in item 5.3 above.

6.0 Rules for Adjusting Salaries

The following rules shall apply in the implementation of the salary adjustment:

- 6.1 The salaries of incumbent personnel shall be adjusted to the rates in the salary schedule adopted by the LGU corresponding to the designated steps of the salary grade allocations of their positions as of December 31, 2017; provided that their positions and salary grades are in accordance with: (i) the "Revised Index of Occupational Services, Position Titles, and Salary Grades in the Local Government" issued through Local Budget Circular (LBC) No. 61 dated March 18, 1996; (ii) the list of new classes of positions under the Administrative Services Group, General Administrative Service under item 1.2 of Budget Circular No. 2004-4, "Conversion of Positions Performing Staff/Non-Technical Functions"; and (iii) the Re-allocated Classes of Positions in Annex "B" of LBC No. 2009-92 dated September 3, 2009.
- 6.2 If the actual monthly basic salary of an incumbent falls between steps of the salary grade allocation of the position as of December 31, 2017 as a result of (i) reclassification of the position; or (ii) demotion or transfer due to the exigency of the service, the salary shall be adjusted to the rate for the higher step in the salary schedule to be adopted by the LGU (Illustrative example in Annex "C").
- 6.3 If the actual monthly basic salary of an incumbent exceeds the rate for Step 8 of the salary grade allocation of the position as of December 31, 2017 as a result of (i) reclassification of the position; or (ii) demotion or transfer due to the exigency of service:
- 6.3.1 The salary shall be adjusted to the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU; (Illustrative example in Annex "D").

- 6.3.2 The incumbent shall not be entitled to salary increase if the salary as of December 31, 2017 exceeds the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU (Illustrative example in Annex "E").
- 6.4 For incumbent personnel whose position titles are not in accordance with the Revised Index under LBC No. 61 and modifications thereto, the salary adjustments shall be granted after their positions have been properly classified by the DBM Regional Office concerned.
- 6.5 The salary of a new hire shall be the rate corresponding to Step 1 of the salary grade allocation of the position in the salary schedule to be adopted.
- 6.6 The salaries/wages of contractual/casual personnel shall be adjusted to the rates corresponding to Step 1 of the salary grade allocations of their positions in the applicable salary schedule in Annexes "A-1" to "A-8" effective not earlier than January 1, 2018. The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly salaries by 22 work days.

7.0 No Diminution in Basic Salaries

There shall be no diminution in the actual basic salaries received by the incumbents prior to the implementation of EO No. 201 for purposes of complying with the PS limitation.

8.0 Honoraria Adjustments for Barangay Officials and Employees

- 8.1 The maximum honoraria rates prescribed for *barangay* officials and employees under LBC No. 63 may be adjusted following the salary schedule adopted by the municipality or city where the *barangay* belongs, subject to the PS limitation under Section 331(b) of R.A. No. 7160.
- 8.2 If *barangay* funds are not sufficient and sustainable to implement the honoraria rates authorized under item 8.1, the *Sangguniang Barangay* may adjust the honoraria at lower rates but at a uniform percentage of the rates in item 8.1 for all *barangay* officials and employees.

9.0 Mid-Year Bonus for Government Personnel

The **Mid-Year Bonus** equivalent to one (1) month basic salary as of May 15 may 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, subject to the rules and regulations provided under Budget Circular No. 2017-2⁵ dated May 8, 2017.

⁵ Rules and Regulations on the Grant of the Mid-Year Bonus for Fiscal Year 2017 and Years Thereafter

10.0 Productivity Enhancement Incentive (PEI) for Government Personnel

The **PEI** in the amount of P5,000 may be granted to qualified personnel not earlier than December 15 of every year, subject to the rules and regulations provided under Budget Circular No. 2017-4⁶ dated December 4, 2017.

11.0 Performance-Based Bonus (PBB) for Personnel of LGUs

The grant of **PBB** to personnel of LGUs shall be in accordance with the Department of the Interior and Local Government and the DBM Joint Memorandum Circular No. 2017-4 dated June 7, 2017 and other guidelines to be issued by the Inter-Agency Task Force created under Administrative Order No. 25, series of 2011.

12.0 Procedural Guidelines

- 12.1 The Human Resource Management Officer (HRMO)/Administrative Officer (AO) shall prepare Notices of Salary Adjustment (NOSAs) for incumbent personnel following the format marked as Annex "B-1" or Annex "B-2," whichever is applicable, for approval by the Local Chief Executive.
- 12.2 For personnel whose actual monthly salaries as of December 31, 2017 exceed the rates corresponding to Step 8 of the salary grade allocations of their positions in the salary schedule adopted by the LGU, the HRMO/AO shall no longer prepare NOSAs.
- 12.3 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System if they are members thereof.
- 12.4 The salary/honoraria adjustment under this Circular shall be subject to the usual accounting and auditing rules and regulations, and to appropriate re-adjustment if found not in order. The recipient personnel shall refund any overpayments received.

13.0 Fund Source

- 13.1 The amounts required to implement the salary/honoraria and related fixed expenditure adjustments of LGU personnel shall be sourced exclusively from LGU funds, subject to the PS limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of RA No. 7160.
- 13.2 Such amounts shall be authorized through an appropriation ordinance to be enacted by the *Sangguniang Panlalawigan/ Panlungsod/ Bayan/ Barangay*.

14.0 Responsibilities of LGUs

LGUs shall be responsible for the implementation of the provisions of this Circular. The responsible officers shall be held liable for any payment of salary/honoraria adjustments not in accordance with the provisions hereof without prejudice to the refund by the employees concerned of any excess of unauthorized payments.

⁶ Guidelines on the Grant of the Productivity Enhancement Incentive to Government Employees for Fiscal Year 2017 and Years Thereafter

15.0 Resolution of Cases

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

16.0 Effectivity of Salary Increase

The Third Tranche Monthly Salary Schedule authorized for LGU personnel may be implemented not earlier than January 1, 2018, subject to the authorization from the respective *sanggunian*.

17.0 Effectivity

This Circular shall take effect on January 1, 2018.


BENJAMIN E. DIOKNO
Secretary





ANNEX “A-1”

Third Tranche Monthly Salary Schedule for Local Government Personnel In Special Cities and First Class Provinces and Cities Effective Not Earlier Than January 1, 2018 (In Pesos)

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

ANNEX "A-2"

Third Tranche Monthly Salary Schedule for Local Government Personnel In Second Class Provinces and Cities Effective Not Earlier Than January 1, 2018 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,985	10,072	10,160	10,250	10,340	10,433	10,522	10,614
2	10,640	10,728	10,817	10,906	10,996	11,087	11,179	11,271
3	11,318	11,412	11,506	11,601	11,697	11,793	11,891	11,989
4	12,040	12,139	12,240	12,341	12,442	12,546	12,649	12,753
5	12,807	12,926	13,020	13,127	13,235	13,345	13,455	13,566
6	13,623	13,736	13,849	13,964	14,079	14,195	14,313	14,431
7	14,491	14,611	14,732	14,853	14,977	15,100	15,225	15,350
8	15,468	15,611	15,756	15,902	16,050	16,198	16,349	16,501
9	16,599	16,746	16,892	17,040	17,190	17,340	17,492	17,646
10	17,782	17,939	18,096	18,254	18,415	18,589	18,739	18,903
11	19,170	19,415	19,663	19,915	20,169	20,427	20,688	20,952
12	21,042	21,290	21,540	21,795	22,051	22,312	22,575	22,841
13	23,013	23,285	23,559	23,836	24,118	24,402	24,690	24,981
14	25,169	25,466	25,766	26,070	26,378	26,688	27,003	27,321
15	27,560	27,891	28,227	28,567	28,910	29,259	29,612	29,968
16	30,177	30,540	30,908	31,280	31,657	32,038	32,424	32,814
17	33,042	33,441	33,843	34,250	34,663	35,081	35,502	35,930
18	36,181	36,616	37,057	37,503	37,954	38,411	38,874	39,342
19	39,994	40,594	41,202	41,819	42,446	43,083	43,729	44,384
20	44,685	45,355	46,034	46,725	47,425	48,136	48,857	49,589
21	49,926	50,674	51,434	52,204	52,987	53,781	54,587	55,406
22	55,781	56,617	57,466	58,327	59,202	60,089	60,990	61,904
23	62,324	63,258	64,206	65,168	66,146	67,137	68,144	69,165
24	69,634	70,677	71,736	72,812	73,903	75,011	76,136	77,277
25	78,317	79,490	80,682	81,891	83,118	84,365	85,629	86,913
26	87,503	88,814	90,145	91,496	92,867	94,260	95,673	97,106
27	97,765	99,230	100,718	102,228	103,760	105,315	106,893	108,500
28	109,232	110,869	112,530	114,218	115,929	117,667	119,430	121,221
29	122,044	123,872	125,729	127,614	129,526	131,468	133,438	135,438
30	136,357	138,401	140,476	142,581	144,718	146,887	149,088	151,324

ANNEX "A-3"

Third Tranche Monthly Salary Schedule for Local Government Personnel In Third Class Provinces and Cities and First Class Municipalities Effective Not Earlier Than January 1, 2018 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,459	9,542	9,626	9,710	9,796	9,884	9,968	10,056
2	10,080	10,164	10,247	10,332	10,418	10,504	10,590	10,678
3	10,723	10,812	10,901	10,991	11,082	11,173	11,265	11,358
4	11,407	11,500	11,596	11,691	11,787	11,885	11,984	12,082
5	12,133	12,245	12,335	12,436	12,539	12,642	12,747	12,852
6	12,906	13,013	13,120	13,229	13,338	13,448	13,559	13,671
7	13,729	13,842	13,956	14,072	14,189	14,306	14,423	14,542
8	14,654	14,790	14,927	15,065	15,206	15,346	15,488	15,632
9	15,726	15,864	16,003	16,143	16,286	16,428	16,572	16,718
10	16,846	16,995	17,143	17,294	17,446	17,610	17,753	17,908
11	18,161	18,393	18,628	18,867	19,108	19,352	19,599	19,850
12	19,934	20,169	20,407	20,648	20,891	21,137	21,387	21,639
13	21,802	22,059	22,319	22,582	22,848	23,117	23,390	23,666
14	23,845	24,125	24,410	24,698	24,989	25,284	25,582	25,883
15	26,109	26,423	26,742	27,064	27,389	27,719	28,053	28,391
16	28,589	28,932	29,282	29,633	29,991	30,352	30,717	31,087
17	31,303	31,681	32,062	32,448	32,838	33,234	33,634	34,039
18	34,277	34,689	35,106	35,529	35,957	36,390	36,828	37,272
19	37,889	38,457	39,034	39,618	40,212	40,815	41,427	42,048
20	42,333	42,968	43,611	44,266	44,929	45,602	46,285	46,979
21	47,299	48,007	48,727	49,457	50,198	50,951	51,714	52,490
22	52,845	53,637	54,442	55,257	56,086	56,927	57,780	58,646
23	59,044	59,928	60,827	61,738	62,664	63,603	64,557	65,525
24	65,969	66,957	67,961	68,980	70,014	71,063	72,129	73,210
25	74,195	75,307	76,435	77,581	78,744	79,925	81,122	82,338
26	82,897	84,139	85,400	86,681	87,980	89,299	90,637	91,995
27	92,619	94,008	95,417	96,847	98,299	99,772	101,267	102,789
28	103,483	105,034	106,608	108,206	109,828	111,474	113,144	114,841
29	115,620	117,353	119,111	120,897	122,709	124,548	126,415	128,309
30	129,181	131,117	133,082	135,077	137,102	139,156	141,242	143,359

ANNEX “A-4”

Third Tranche Monthly Salary Schedule for Local Government Personnel In Fourth Class Provinces and Cities and Second Class Municipalities Effective Not Earlier Than January 1, 2018 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,934	9,012	9,091	9,171	9,251	9,335	9,415	9,497
2	9,520	9,599	9,678	9,758	9,839	9,920	10,002	10,084
3	10,127	10,211	10,295	10,380	10,466	10,552	10,639	10,727
4	10,773	10,861	10,951	11,042	11,132	11,225	11,318	11,410
5	11,459	11,565	11,649	11,745	11,842	11,940	12,039	12,138
6	12,189	12,290	12,391	12,494	12,597	12,701	12,806	12,912
7	12,966	13,073	13,181	13,290	13,400	13,511	13,622	13,734
8	13,840	13,968	14,097	14,228	14,361	14,493	14,628	14,764
9	14,852	14,983	15,114	15,246	15,381	15,515	15,651	15,789
10	15,910	16,051	16,191	16,333	16,476	16,632	16,766	16,913
11	17,152	17,371	17,593	17,819	18,046	18,277	18,510	18,747
12	18,827	19,049	19,273	19,501	19,730	19,963	20,199	20,437
13	20,590	20,834	21,079	21,327	21,579	21,833	22,091	22,352
14	22,520	22,785	23,054	23,326	23,601	23,879	24,160	24,445
15	24,659	24,955	25,256	25,560	25,867	26,179	26,495	26,813
16	27,000	27,325	27,655	27,987	28,325	28,665	29,011	29,360
17	29,564	29,921	30,280	30,645	31,014	31,388	31,765	32,148
18	32,372	32,762	33,156	33,555	33,959	34,368	34,782	35,201
19	35,784	36,321	36,865	37,417	37,978	38,548	39,126	39,712
20	39,981	40,581	41,188	41,806	42,433	43,069	43,714	44,369
21	44,671	45,340	46,020	46,709	47,410	48,120	48,841	49,574
22	49,909	50,657	51,417	52,187	52,970	53,764	54,570	55,388
23	55,763	56,599	57,447	58,308	59,183	60,070	60,971	61,884
24	62,304	63,237	64,185	65,147	66,124	67,115	68,122	69,142
25	70,073	71,123	72,189	73,271	74,369	75,484	76,616	77,764
26	78,292	79,465	80,656	81,865	83,092	84,338	85,602	86,884
27	87,474	88,785	90,116	91,467	92,838	94,229	95,641	97,079
28	97,734	99,198	100,685	102,195	103,726	105,281	106,859	108,461
29	109,197	110,833	112,494	114,181	115,892	117,629	119,392	121,181
30	122,004	123,832	125,689	127,572	129,485	131,425	133,395	135,395

ANNEX "A-5"

Third Tranche Monthly Salary Schedule for Local Government Personnel In Fifth Class Provinces and Cities and Third Class Municipalities Effective Not Earlier Than January 1, 2018 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,408	8,482	8,556	8,631	8,707	8,786	8,861	8,938
2	8,960	9,034	9,109	9,184	9,260	9,337	9,414	9,491
3	9,531	9,610	9,690	9,770	9,850	9,931	10,014	10,096
4	10,139	10,222	10,307	10,392	10,478	10,565	10,652	10,739
5	10,785	10,885	10,964	11,054	11,146	11,238	11,330	11,424
6	11,472	11,567	11,662	11,759	11,856	11,954	12,053	12,152
7	12,203	12,304	12,406	12,508	12,612	12,716	12,821	12,926
8	13,026	13,146	13,268	13,391	13,516	13,641	13,767	13,895
9	13,978	14,102	14,225	14,350	14,476	14,602	14,730	14,860
10	14,974	15,106	15,238	15,372	15,507	15,654	15,780	15,918
11	16,143	16,350	16,558	16,770	16,985	17,202	17,422	17,644
12	17,719	17,928	18,139	18,354	18,570	18,789	19,010	19,234
13	19,379	19,608	19,839	20,073	20,310	20,549	20,791	21,037
14	21,195	21,445	21,698	21,954	22,213	22,474	22,739	23,007
15	23,208	23,487	23,770	24,057	24,346	24,639	24,936	25,236
16	25,412	25,718	26,028	26,341	26,658	26,979	27,304	27,633
17	27,825	28,161	28,499	28,842	29,190	29,542	29,897	30,257
18	30,468	30,834	31,206	31,582	31,962	32,346	32,736	33,130
19	33,679	34,184	34,697	35,216	35,744	36,280	36,824	37,376
20	37,630	38,194	38,766	39,347	39,937	40,535	41,142	41,759
21	42,043	42,673	43,313	43,962	44,621	45,290	45,968	46,658
22	46,974	47,678	48,393	49,118	49,854	50,602	51,360	52,130
23	52,483	53,270	54,068	54,878	55,702	56,536	57,384	58,244
24	58,639	59,518	60,410	61,315	62,234	63,167	64,114	65,075
25	65,951	66,939	67,942	68,961	69,994	71,044	72,109	73,190
26	73,686	74,790	75,911	77,050	78,204	79,377	80,566	81,774
27	82,328	83,562	84,815	86,086	87,377	88,686	90,015	91,368
28	91,985	93,363	94,762	96,183	97,625	99,088	100,573	102,081
29	102,774	104,314	105,877	107,464	109,074	110,710	112,369	114,053
30	114,827	116,548	118,295	120,068	121,868	123,694	125,548	127,430

ANNEX "A-6"

Third Tranche Monthly Salary Schedule for Local Government Personnel In Sixth Class Provinces and Cities and Fourth Class Municipalities Effective Not Earlier Than January 1, 2018 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	7,883	7,952	8,021	8,092	8,163	8,237	8,307	8,380
2	8,400	8,470	8,540	8,610	8,681	8,753	8,825	8,898
3	8,936	9,010	9,084	9,159	9,235	9,311	9,388	9,465
4	9,506	9,584	9,663	9,743	9,823	9,905	9,986	10,068
5	10,111	10,205	10,279	10,364	10,449	10,535	10,622	10,710
6	10,755	10,844	10,934	11,024	11,115	11,207	11,300	11,393
7	11,441	11,535	11,630	11,726	11,824	11,921	12,020	12,119
8	12,212	12,325	12,439	12,554	12,671	12,788	12,907	13,027
9	13,105	13,220	13,336	13,453	13,571	13,690	13,810	13,931
10	14,039	14,162	14,286	14,411	14,538	14,675	14,794	14,924
11	15,134	15,328	15,524	15,722	15,923	16,127	16,333	16,541
12	16,612	16,808	17,006	17,207	17,409	17,615	17,822	18,032
13	18,168	18,383	18,599	18,818	19,040	19,265	19,492	19,722
14	19,871	20,105	20,342	20,582	20,825	21,070	21,318	21,569
15	21,758	22,019	22,285	22,553	22,824	23,099	23,378	23,659
16	23,824	24,110	24,401	24,695	24,992	25,293	25,598	25,906
17	26,086	26,401	26,718	27,040	27,365	27,695	28,028	28,366
18	28,564	28,907	29,255	29,608	29,964	30,325	30,690	31,060
19	31,574	32,048	32,528	33,015	33,510	34,013	34,523	35,040
20	35,278	35,807	36,343	36,888	37,441	38,002	38,571	39,149
21	39,416	40,006	40,606	41,214	41,832	42,459	43,095	43,742
22	44,038	44,698	45,368	46,048	46,739	47,439	48,150	48,872
23	49,203	49,940	50,689	51,449	52,220	53,003	53,798	54,604
24	54,974	55,798	56,634	57,483	58,345	59,219	60,107	61,008
25	61,829	62,756	63,696	64,651	65,620	66,604	67,602	68,615
26	69,081	70,116	71,167	72,234	73,316	74,416	75,531	76,663
27	77,183	78,340	79,514	80,706	81,916	83,144	84,389	85,658
28	86,236	87,528	88,840	90,172	91,523	92,895	94,287	95,701
29	96,350	97,794	99,260	100,748	102,257	103,790	105,346	106,925
30	107,651	109,264	110,902	112,564	114,251	115,964	117,701	119,466

ANNEX "A-7"

Third Tranche Monthly Salary Schedule for Local Government Personnel In Fifth Class Municipalities Effective Not Earlier Than January 1, 2018 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	7,357	7,421	7,487	7,552	7,619	7,687	7,753	7,821
2	7,840	7,905	7,970	8,036	8,103	8,170	8,237	8,305
3	8,340	8,409	8,478	8,548	8,619	8,690	8,762	8,834
4	8,872	8,945	9,019	9,093	9,168	9,244	9,321	9,397
5	9,437	9,524	9,594	9,673	9,752	9,833	9,914	9,996
6	10,038	10,121	10,205	10,289	10,374	10,459	10,546	10,633
7	10,678	10,766	10,855	10,945	11,036	11,127	11,218	11,311
8	11,397	11,503	11,610	11,717	11,827	11,936	12,046	12,158
9	12,231	12,339	12,447	12,556	12,667	12,777	12,889	13,003
10	13,103	13,218	13,334	13,451	13,569	13,697	13,808	13,929
11	14,125	14,306	14,489	14,674	14,862	15,051	15,244	15,439
12	15,504	15,687	15,872	16,059	16,248	16,440	16,634	16,830
13	16,957	17,157	17,359	17,564	17,771	17,980	18,192	18,407
14	18,546	18,764	18,985	19,209	19,436	19,665	19,897	20,131
15	20,307	20,551	20,799	21,050	21,302	21,559	21,819	22,082
16	22,236	22,503	22,775	23,048	23,326	23,607	23,891	24,179
17	24,347	24,641	24,937	25,237	25,541	25,849	26,160	26,475
18	26,660	26,980	27,305	27,634	27,966	28,303	28,644	28,989
19	29,469	29,911	30,360	30,814	31,276	31,745	32,221	32,704
20	32,926	33,419	33,920	34,429	34,945	35,468	36,000	36,539
21	36,788	37,339	37,899	38,466	39,043	39,628	40,222	40,825
22	41,102	41,718	42,344	42,978	43,623	44,276	44,940	45,613
23	45,923	46,611	47,310	48,019	48,739	49,469	50,211	50,964
24	51,309	52,078	52,858	53,651	54,455	55,271	56,100	56,941
25	57,707	58,572	59,450	60,341	61,245	62,164	63,095	64,041
26	64,476	65,442	66,422	67,418	68,429	69,455	70,496	71,552
27	72,037	73,117	74,213	75,326	76,455	77,601	78,763	79,947
28	80,487	81,693	82,917	84,160	85,422	86,702	88,001	89,321
29	89,927	91,274	92,642	94,031	95,440	96,871	98,323	99,796
30	100,474	101,980	103,508	105,060	106,635	108,233	109,855	111,502

ANNEX “A-8”

**Third Tranche Monthly Salary Schedule for Local Government Personnel
In Sixth Class Municipalities
Effective Not Earlier Than January 1, 2018
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	6,832	6,891	6,952	7,013	7,075	7,138	7,199	7,262
2	7,280	7,340	7,401	7,462	7,524	7,586	7,649	7,712
3	7,744	7,808	7,873	7,938	8,003	8,069	8,136	8,203
4	8,238	8,306	8,375	8,444	8,513	8,584	8,655	8,726
5	8,763	8,844	8,908	8,982	9,056	9,131	9,206	9,282
6	9,321	9,398	9,476	9,554	9,633	9,712	9,793	9,874
7	9,915	9,997	10,080	10,163	10,247	10,332	10,417	10,503
8	10,583	10,681	10,780	10,880	10,982	11,083	11,186	11,290
9	11,357	11,458	11,558	11,659	11,762	11,864	11,968	12,074
10	12,167	12,274	12,381	12,490	12,600	12,719	12,821	12,934
11	13,116	13,284	13,454	13,626	13,800	13,976	14,155	14,336
12	14,397	14,567	14,738	14,912	15,088	15,266	15,446	15,628
13	15,746	15,932	16,119	16,309	16,502	16,696	16,893	17,092
14	17,221	17,424	17,629	17,837	18,048	18,260	18,476	18,693
15	18,857	19,083	19,313	19,546	19,781	20,019	20,261	20,504
16	20,647	20,896	21,148	21,402	21,660	21,921	22,185	22,452
17	22,608	22,881	23,156	23,434	23,717	24,003	24,291	24,584
18	24,755	25,053	25,355	25,660	25,969	26,281	26,598	26,918
19	27,364	27,775	28,191	28,613	29,042	29,478	29,920	30,368
20	30,574	31,032	31,497	31,970	32,449	32,935	33,428	33,929
21	34,160	34,672	35,192	35,719	36,254	36,798	37,349	37,909
22	38,166	38,738	39,319	39,908	40,507	41,114	41,730	42,355
23	42,643	43,282	43,930	44,589	45,258	45,936	46,625	47,323
24	47,644	48,358	49,083	49,819	50,565	51,323	52,093	52,874
25	53,585	54,388	55,203	56,031	56,870	57,723	58,588	59,467
26	59,870	60,767	61,678	62,603	63,541	64,494	65,460	66,441
27	66,892	67,894	68,912	69,945	70,994	72,058	73,137	74,237
28	74,738	75,858	76,994	78,149	79,320	80,509	81,715	82,941
29	83,504	84,755	86,025	87,315	88,623	89,952	91,300	92,668
30	93,297	94,695	96,115	97,555	99,018	100,502	102,008	103,537

For Regular Positions

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to Local Budget Circular No. ____ dated _____, implementing Executive Order No. 201 dated February 19, 2016, your salary is hereby adjusted effective _____, as follows:

1. Adjusted monthly basic salary effective January 1, 2018, under the new Salary Schedule; SG ____, Step ____ P _____
2. Actual monthly basic salary as of December 31, 2017; SG ____, Step ____ P _____
3. Monthly salary adjustment effective January 1, 2018 (1-2) P _____

It is understood that this salary adjustment is subject to usual accounting and auditing rules and regulations, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Local Chief Executive

Position Title: _____
Salary Grade: _____
Item No., FY _____ Plantilla of Personnel: _____

Copy Furnished: GSIS

For Contractuals/Casuals

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to Local Budget Circular No. ____ dated _____, implementing Executive Order No. 201 dated February 19, 2016, your salary/daily wage is hereby adjusted effective _____, as follows:

1. Monthly basic salary/daily wage rate,
under the new Salary Schedule; SG ____ P _____
2. Actual monthly basic salary/daily wage rate
as of December 31, 2017;
SG ____ P _____
3. Monthly salary/daily wage adjustment
effective January 1, 2018 (1-2) P _____

It is understood that this salary/daily wage adjustment is subject to usual accounting and auditing rules and regulations, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Local Chief Executive

Position Title: _____
Salary Grade: _____
Item No., FY _____ Plantilla of Personnel: _____

Copy Furnished: GSIS

Illustrative Example

Rule: *If the actual monthly basic salary of an incumbent falls between steps of the salary grade allocation of the position as of December 31, 2017 as a result of (i) reclassification of the position; or (ii) demotion or transfer due to the exigency of the service, the salary shall be adjusted to the rate for the higher step in the salary schedule to be adopted by the LGU.*

Scenario: An incumbent of Administrative Officer II, SG-11 in a 1st class province was demoted to Administrative Officer I, SG-10 due to exigency in service effective October 1, 2017. His salary for the position of Administrative Officer II, SG-11, Step 1 is P19,620; the authorized salary for the position of Administrative Officer I, SG-10, Step 1 is P18,217. Due to the non-diminution of pay, employee gets to keep his actual salary of P19,620.

His salary shall be adjusted to P19,725 (SG-10, Step 7) beginning January 2018 since the actual salary (P19,620) of the incumbent as of December 31, 2017 falls between Step 6 (P19,567) and Step 7 (P19,725) of SG-10 in the Salary Schedule under Annex "A-1" hereof.

Position Title	Effectivity Date	Legal Basis	Authorized Salary of Position (Step 1)	Actual Salary
Administrative Officer II, SG-11	January 1, 2017	LBC No. 113	P19,620	P19,620
Administrative Officer I, SG-10	October 1, 2017	Demotion due to the exigency of service	P18,217	P19,620
Administrative Officer I, SG-10	January 1, 2018	EO No. 201	P18,718	P19,725 (Adjusted Salary = SG-10, 7 th step)

Illustrative Example

Rule: *If the actual monthly basic salary of an incumbent exceeds the rate for Step 8 of the salary grade allocation of the position as of December 31, 2017 as a result of (i) reclassification of the position; or (ii) demotion or transfer due to the exigency of service:*

The salary shall be adjusted to the rate for Step 8 of the same salary grade of the position in the salary schedule to be adopted by the LGU.

Scenario: An incumbent of Senior Administrative Assistant (SAA) I (Data Controller IV) SG-13 of a 3rd class municipality was involuntarily demoted effective February 1, 2017 to Administrative Assistant (AA) VI (Computer Operator III), SG-12 due to the reorganization of the 3rd class municipality.

The employee's salary as SAA I was P18,814 (SG-13, Step 2); while the authorized salary for AA VI is P17,301 (SG-12, Step 2). Incumbent gets to receive the salary of P18,814 until December 31, 2016 due to non-diminution of pay.

Since the current actual salary of P18,814 exceeds the rate for SG-12, Step 8 (P18,496) in the salary schedule adopted in 2017, his rate shall be adjusted to P19,234 (SG-12, Step 8) not earlier than January 1, 2018 of the Salary Schedule under Annex "A-5" hereof.

Position Title	Effectivity Date	Legal Basis	Authorized Salary of Position (Step 2)	Actual Salary
Senior Administrative Assistant I, SG-13	January 1, 2017	LBC No. 113	P18,814	P18,814
Administrative Assistant VI, SG-12	February 1, 2017	Demotion due to the exigency of service	P17,301	P18,814
Administrative Assistant VI, SG-12	January 1, 2018	EO No. 201	P17,928	P19,234 (Adjusted Salary = SG-12, 8 th step)

Illustrative Example

Rule: *If the actual monthly basic salary of an incumbent exceeds the rate for Step 8 of the salary grade allocation of the position as of December 31, 2017 as a result of (i) reclassification of the position; or (ii) demotion or transfer due to the exigency of service:*

The incumbent shall not be entitled to salary increase if the salary as of December 31, 2017 exceeds the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU.

Scenario: An incumbent of Administrative Assistant III (Secretary II), SG-9 in a 2nd class municipality was transferred effective July 1, 2017 to a new office in the same LGU due to phasing out or abolition of his old organizational office. His new position effective July 1, 2017 is Administrative Aide IV, SG-4.

The employee's salary as Administrative Assistant III is P15,392 (SG-9, Step-8); the authorized salary for Administrative Aide IV is P10,988 (SG-4, Step 8). He will continue to receive his salary of P15,392 for 2017 due to involuntary demotion.

Beginning January 1, 2018, the incumbent may no longer be entitled to salary increase since his present actual salary (P15,392) is already higher than the rate provided for SG-4, Step 8 (P11,410) of the Salary Schedule under Annex "A-4" hereof.

Position Title	Effectivity Date	Legal Basis	Authorized Salary of Position (Step 8)	Actual Salary
Administrative Assistant III, SG-9	January 1, 2017	LBC No. 113	P15,392	P15,392 (Step 8)
Administrative Aide IV, SG-4	July 1, 2017	Transfer and involuntary demotion	P10,988	P15,392
Administrative Aide IV, SG-4	January 1, 2018	EO No. 201	P11,410	P15,392 (Exceeds Step 8 of SG-4)