



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

**NATIONAL BUDGET CIRCULAR**

No. 574  
January 10, 2018

**TO :** Heads of the Department of National Defense (DND), Department of the Interior and Local Government (DILG), Department of Transportation (DOTr), Department of Environment and Natural Resources (DENR), and All Others Concerned

**SUBJECT :** Implementation of the Increase in Base Pay of the Military and Uniformed Personnel (MUP) in the Government Beginning January 1, 2018, and Other Provisions of Congress Joint Resolution (JR) No. 1, s. 2018

**1.0 Background**

The *Congress JR No. 1 (Joint Resolution Authorizing the Increase in Base Pay of Military and Uniformed Personnel in the Government, and for Other Purposes)* dated January 1, 2018 provides the modified Base Pay Schedule for the MUP, which shall be implemented in two (2) years, i.e., FYs 2018 and 2019.

Said Congress JR adjusts the compensation package of the MUP to a level commensurate with their critical role in maintaining national security and peace and order, taking into consideration their exposure to high-risk environments in the performance of their duties.

Furthermore, the aforementioned Congress JR (i) suspends the indexation of pension of retired MUP to the base pay of those in the active service; (ii) stipulates the fixed amount of Hazard Pay of all MUP; and (iii) repeals the provisions of Executive Order (EO) No. 201<sup>1</sup>, s. 2016 on the grant of Provisional Allowance and Officers' Allowances.

The Department of Budget and Management (DBM) is directed to issue the necessary rules and regulations to implement the provisions of Congress JR No. 1, s. 2018.

<sup>1</sup> Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for both Civilian and Military and Uniformed Personnel.

## 2.0 Purpose

This Circular is issued to prescribe the guidelines, rules, and regulations for the implementation of the modified Base Pay Schedule for the MUP beginning January 1, 2018, and other provisions of Congress JR No. 1, s. 2018.

## 3.0 Coverage

This Circular shall apply to all military personnel of the Armed Forces of the Philippines (AFP) under the DND and uniformed personnel of 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 DILG; Philippine Coast Guard (PCG) under the DOTr; and the National Mapping and Resource Information Authority (NAMRIA) under the DENR.

## 4.0 Modified Base Pay Schedule for the MUP Beginning January 1, 2018

The first year implementation of the new base pay rates for the MUP shall be in accordance with the Modified Base Pay Schedule under *Item II* of Congress JR No.1, s. 2018, attached as **Annex "A"** of this Circular.

The actual monthly base pay of the incumbent MUP as of December 31, 2017 shall be adjusted effective January 1, 2018 to the rates in the Modified Base Pay Schedule in **Annex "A."**

## 5.0 Hazard Pay of the MUP

The **Hazard Pay** of all MUP shall be fixed at the amount of **Five Hundred Forty Pesos (₱ 540.00) per month**, pursuant to *Item IV* of Congress JR No. 1, s. 2018.

## 6.0 Discontinuance of the Grant of Provisional and Officers' Allowances

Consistent with *Item VIII* of Congress JR No. 1, s. 2018, the Provisional and Officers' Allowances, which were previously given to qualified MUP as an interim measure pursuant to EO No. 201, s. 2016, **shall no longer be part of the compensation of MUP** beginning January 1, 2018, in view of the implementation of the modified Base Pay Schedule authorized in the aforementioned Congress JR.

## 7.0 Suspension of the Indexation of Pension of Retired MUP

The indexation of the pension of retired MUP with the base pay of those in the active service **shall be suspended** with respect to the base pay increase authorized in Congress JR No. 1, s. 2018, following *Item III* thereof.



The indexation of such pension shall thus remain to be based on the rates of the Base Pay Schedule provided under Congress JR No. 4<sup>2</sup>, s. 2009, notwithstanding the provisions of Presidential Decree No. 1638<sup>3</sup> s. 1979, as amended, Republic Act (RA) No. 8551<sup>4</sup>, RA No. 5976<sup>5</sup>, RA No. 9993<sup>6</sup>, and RA No. 9263<sup>7</sup>. This suspension shall be automatically lifted on January 1, 2019 or upon the effectivity of a pension reform law, whichever comes earlier.

## **8.0 Procedural Guidelines**

### **8.1 Preparation of *Notices of Base Pay Adjustment (NOBPAs)***

8.1.1 The Human Resource Management Officer (HRMO)/ Administrative Officer (AO) of agencies concerned shall prepare NOBPAs for incumbent MUP using the attached format indicated in ***Annex “B,”*** subject to approval by the Head of the Agency.

8.1.2 The NOBPAs shall be issued to the personnel concerned.

8.2 The base pay adjustment granted to the MUP shall be subject to the usual accounting and auditing rules and regulations, and to appropriate re-adjustment, if found not in order.

## **9.0 Fund Sources and Release of Funds**

9.1 The amounts required to implement the increase in base pay and related Personnel Services (PS) expenditures for MUP shall be charged against their respective agency budgets for PS authorized under RA No. 10964 or the FY 2018 General Appropriations Act (GAA).

9.2 In case of deficiency, the agency may submit a request to the DBM for the release of funds charged to the Miscellaneous Personnel Benefits Fund.

## **10.0 Responsibility of Agencies**

Agencies shall be responsible for the proper implementation of the provisions of this Circular. The responsible officers shall be held liable for any payment not in accordance with the provisions of this Circular, without prejudice to the refund by the personnel concerned of any excess or unauthorized payments.

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<sup>2</sup> 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

<sup>3</sup> AFP Military Personnel Retirement and Separation Decree of 1979

<sup>4</sup> Philippine National Police Reform and Reorganization Act of 1998

<sup>5</sup> Coast Survey Officers Retirement and Separation Act of 1969

<sup>6</sup> Philippines Coast Guard Law of 2009

<sup>7</sup> Bureau of Fire Protection and Bureau of Jail Management and Penology Professionalization Act of 2004

### 11.0 Resolution of Cases

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

### 12.0 Effectivity

This Circular shall take effect on January 1, 2018.

  
**BENJAMIN E. DIOKNO**  
*Secretary*





**Modified Base Pay Schedule  
For Military and Uniformed Personnel  
Beginning January 1, 2018**

DND	DILG		PCG	NAMRIA	Monthly Base Pay
	BJMP and BFP	PNP and PPSC			
Candidate Soldier			Candidate Coastguardsman		₱ 18, 587
Private	Fire/ Jail Officer I	Police Officer I	Apprentice Seaman/Seaman Third Class	Apprentice Seaman/Seaman Third Class	29,668
Private First Class			Seaman Second Class	Seaman Second Class	30,261
Corporal	Fire/ Jail Officer II	Police Officer II	Seaman First Class	Seaman First Class	30,867
Sergeant			Petty Officer III	Petty Officer III	31,484
Staff Sergeant	Fire/ Jail Officer III	Police Officer III	Petty Officer II	Petty Officer II	32,114
Technical Sergeant			Petty Officer I	Petty Officer I	32,756
Master Sergeant	Senior Fire/ Jail Officer I	Senior Police Officer I	Chief Petty Officer	Chief Petty Officer	33,411
Senior Master Sergeant	Senior Fire/ Jail Officer II	Senior Police Officer II	Senior Chief Petty Officer	Senior Chief Petty Officer	34,079
Chief Master Sergeant	Senior Fire/ Jail Officer III	Senior Police Officer III	Master Chief Petty Officer	Master Chief Petty Officer	34,761
First Chief Master Sergeant	Senior Fire/ Jail Officer IV	Senior Police Officer IV	First Master Chief Petty Officer	First Master Chief Petty Officer	35,456
Cadet		Cadet	Cadet		35,456
Probationary Second Lieutenant			Probationary Ensign		35,456
Second Lieutenant			Ensign	Ensign	39,356
First Lieutenant	Inspector	Inspector	Lieutenant Junior Grade	Lieutenant Junior Grade	43,685
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	Lieutenant Senior Grade	49,801
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	Lieutenant Commander	54,799
Lieutenant Colonel	Superintendent	Superintendent	Commander	Commander	61,375
Colonel	Senior Superintendent	Senior Superintendent	Captain	Captain	68,740
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	Commodore	76,988
Major General	Director	Director	Rear Admiral	Rear Admiral	86,227
			Vice Admiral	Vice Admiral	96,574
Lieutenant General		Deputy Director General	Admiral	Admiral	108,163
General		Director General			121,143



Notice of Base Pay Adjustment

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
  
\_\_\_\_\_:

Pursuant to National Budget Circular No. \_\_\_\_\_ dated \_\_\_\_\_, implementing Congress Joint Resolution No. 1, s. 2018 dated January 1, 2018, your base pay as \_\_\_\_\_ (rank) \_\_\_\_\_ is hereby adjusted effective January 1, 2018, as follows:

1. Adjusted monthly base pay effective January 1, 2018 ₱ \_\_\_\_\_
2. Actual monthly base pay as of December 31, 2017 \_\_\_\_\_
3. Monthly base pay adjustment effective January 1, 2018 (1 - 2) ₱ \_\_\_\_\_

It is understood that this base pay adjustment is subject to the usual accounting and auditing rules and regulations, and to appropriate re-adjustment if found not in order,

Very truly yours,

\_\_\_\_\_  
Head of the Agency