



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

**LOCAL BUDGET CIRCULAR**

**No. 118**  
January 15, 2019

**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 Fourth 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. 985<sup>1</sup>, and Congress Joint Resolution (JR) No. 4<sup>2</sup>, s. 2009.

The issuance of EO No. 201 is consistent with the governing principle of the Compensation and Position Classification System (CPCS), 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 provides for at least a four-year implementation of the compensation adjustment.

Specifically for local government units (LGUs), Section 15 (c) of EO No. 201 provides that the amounts shall be charged against their respective funds in accordance with the pertinent provisions of the said EO and Republic Act No. 7160.

**2.0 Purpose**

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

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

<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 dated June 17, 2009

### 3.0 Coverage

The following are covered by this Circular:

- 3.1 All positions for salaried LGU personnel, whether regular, contractual, or casual in nature, appointive or elective, 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

Excluded from the coverage of this Circular are those engaged without employer-employee relationship and funded from non-Personnel Services (PS) appropriations/budgets, as follows:

- 4.1 Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
- 4.2 Laborers engaged through job contracts (*pakyaw*) and those paid on piecework basis;
- 4.3 Student workers and apprentices; and
- 4.4 Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

### 5.0 Implementation of the Fourth Tranche Salary Increase in LGUs Effective not Earlier than January 1, 2019

The implementation of the fourth tranche monthly salary increase in LGUs shall be determined by the *sanggunian*, subject to the following conditions and considerations:

- 5.1 The new salary rates shall be in accordance with the Fourth 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<sup>3</sup> 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,

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<sup>3</sup> An Act Providing For a Local Government Code of 1991 dated October 10, 1991



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, RA No. 7160, and RA No. 7305 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, 2018; provided, that, their positions and salary grades are in accordance with: *(i)* the "Revised Index of Occupational Services, Occupational Groups, Classes 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 (BC) 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 as of December 31, 2018 falls between steps of the salary grade allocation of the position as a result of 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 as of December 31, 2018 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of 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 actual salary as of December 31, 2018 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 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, 2019. The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly salaries by 22 work days per month.

#### **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**

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 BC No. 2017-2<sup>4</sup> dated May 8, 2017.

#### **10.0 Productivity Enhancement Incentive (PEI)**

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 BC No. 2017-4<sup>5</sup> dated December 4, 2017.

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<sup>4</sup> Rules and Regulations on the Grant of the Mid-Year Bonus for Fiscal Year 2017 and Years Thereafter

<sup>5</sup> Guidelines on the Grant of the Productivity Enhancement Incentive to Government Employees for Fiscal Year 2017 and Years Thereafter



## **11.0 Performance-Based Bonus (PBB)**

The grant of **PBB** to personnel of LGUs shall be in accordance with the Department of the Interior and Local Government and DBM Joint Memorandum Circular No. 2018-1 dated October 11, 2018 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.

For personnel whose actual monthly salaries as of December 31, 2018 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.

12.2 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if they are members thereof.

12.3 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 Sources**

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 or unauthorized payments.

## **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 Fourth Tranche Monthly Salary Schedule authorized for LGU personnel may be implemented not earlier than January 1, 2019, subject to the authorization from their respective *sanggunian*.

**17.0 Effectivity**

This Circular shall take effect on January 1, 2019.

  
**BENJAMIN E. DIOKNO**  
Secretary



## ANNEX “A-1”

### Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Special Cities and First Class Provinces and Cities Effective Not Earlier Than January 1, 2019 (In Pesos)

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

  




## ANNEX “A-2”

### Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Second Class Provinces and Cities Effective Not Earlier Than January 1, 2019 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	10,515	10,602	10,691	10,781	10,871	10,961	11,053	11,145
2	11,173	11,258	11,345	11,432	11,520	11,608	11,697	11,787
3	11,843	11,934	12,025	12,118	12,211	12,304	12,399	12,494
4	12,553	12,650	12,747	12,845	12,944	13,043	13,143	13,244
5	13,307	13,409	13,512	13,615	13,720	13,825	13,932	14,038
6	14,105	14,213	14,322	14,432	14,544	14,655	14,768	14,881
7	14,951	15,066	15,182	15,299	15,416	15,534	15,653	15,774
8	15,920	16,065	16,210	16,356	16,503	16,653	16,804	16,956
9	17,076	17,219	17,363	17,509	17,655	17,802	17,951	18,101
10	18,271	18,424	18,578	18,734	18,890	19,048	19,207	19,368
11	19,716	19,986	20,261	20,538	20,819	21,105	21,394	21,688
12	21,791	22,061	22,335	22,611	22,891	23,175	23,462	23,753
13	23,970	24,268	24,568	24,872	25,181	25,492	25,808	26,128
14	26,367	26,694	27,025	27,360	27,698	28,041	28,389	28,740
15	29,004	29,364	29,727	30,096	30,468	30,846	31,227	31,615
16	31,905	32,300	32,700	33,105	33,515	33,930	34,351	34,776
17	35,095	35,530	35,970	36,415	36,867	37,324	37,785	38,254
18	38,605	39,083	39,568	40,057	40,554	41,056	41,564	42,079
19	43,006	43,708	44,421	45,146	45,883	46,632	47,394	48,167
20	48,597	49,390	50,196	51,015	51,848	52,695	53,554	54,428
21	54,915	55,811	56,722	57,647	58,588	59,544	60,516	61,504
22	62,053	63,066	64,096	65,142	66,205	67,286	68,384	69,499
23	70,120	71,264	72,428	73,610	74,812	76,032	77,273	78,535
24	79,236	80,529	81,843	83,179	84,537	85,917	87,319	88,744
25	90,329	91,803	93,301	94,824	96,372	97,945	99,544	101,168
26	102,072	103,737	105,431	107,151	108,900	110,678	112,484	114,320
27	115,340	117,223	119,137	121,081	123,057	125,066	127,107	129,182
28	130,335	132,462	134,625	136,822	139,054	141,325	143,631	145,975
29	147,279	149,683	152,125	154,609	157,132	159,697	162,303	164,952
30	166,425	169,141	171,902	174,708	177,559	180,457	183,402	186,396

 



# ANNEX "A-3"

## Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Third Class Provinces and Cities and First Class Municipalities Effective Not Earlier Than January 1, 2019 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,961	10,044	10,129	10,213	10,299	10,384	10,472	10,559
2	10,585	10,666	10,748	10,831	10,913	10,997	11,082	11,166
3	11,219	11,306	11,392	11,480	11,569	11,657	11,747	11,837
4	11,893	11,984	12,076	12,169	12,263	12,356	12,452	12,547
5	12,606	12,704	12,801	12,899	12,998	13,098	13,199	13,299
6	13,362	13,465	13,568	13,673	13,778	13,883	13,991	14,098
7	14,164	14,273	14,383	14,494	14,604	14,717	14,829	14,944
8	15,082	15,219	15,357	15,495	15,635	15,776	15,919	16,063
9	16,178	16,313	16,449	16,587	16,726	16,865	17,006	17,149
10	17,310	17,455	17,600	17,748	17,896	18,046	18,196	18,348
11	18,679	18,934	19,194	19,457	19,724	19,994	20,268	20,546
12	20,644	20,900	21,159	21,421	21,686	21,956	22,227	22,503
13	22,709	22,991	23,275	23,563	23,855	24,151	24,449	24,753
14	24,980	25,289	25,602	25,920	26,240	26,565	26,895	27,228
15	27,478	27,818	28,163	28,512	28,865	29,222	29,584	29,951
16	30,226	30,600	30,979	31,362	31,751	32,144	32,543	32,945
17	33,248	33,660	34,077	34,499	34,926	35,359	35,797	36,240
18	36,573	37,026	37,485	37,949	38,419	38,895	39,377	39,865
19	40,742	41,407	42,083	42,770	43,468	44,177	44,899	45,632
20	46,040	46,790	47,554	48,330	49,119	49,921	50,736	51,564
21	52,025	52,873	53,736	54,613	55,505	56,410	57,331	58,267
22	58,787	59,747	60,722	61,713	62,720	63,744	64,785	65,841
23	66,430	67,514	68,616	69,736	70,874	72,031	73,206	74,401
24	75,065	76,290	77,536	78,801	80,087	81,395	82,724	84,074
25	85,575	86,972	88,391	89,834	91,300	92,790	94,305	95,844
26	96,700	98,277	99,882	101,512	103,169	104,853	106,564	108,303
27	109,270	111,054	112,866	114,709	116,581	118,483	120,417	122,383
28	123,476	125,491	127,539	129,621	131,736	133,887	136,072	138,292
29	139,527	141,805	144,119	146,471	148,862	151,292	153,761	156,271
30	157,666	160,239	162,854	165,513	168,214	170,960	173,750	176,585





# ANNEX "A-4"

## Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Fourth Class Provinces and Cities and Second Class Municipalities Effective Not Earlier Than January 1, 2019 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,408	9,486	9,566	9,646	9,727	9,807	9,890	9,972
2	9,997	10,073	10,151	10,229	10,307	10,386	10,466	10,546
3	10,596	10,678	10,759	10,843	10,926	11,009	11,094	11,179
4	11,232	11,319	11,405	11,493	11,581	11,670	11,760	11,850
5	11,906	11,998	12,090	12,182	12,276	12,370	12,465	12,560
6	12,620	12,717	12,815	12,913	13,013	13,112	13,213	13,314
7	13,377	13,480	13,584	13,688	13,793	13,899	14,005	14,113
8	14,244	14,374	14,504	14,634	14,766	14,900	15,035	15,171
9	15,279	15,406	15,535	15,666	15,796	15,928	16,062	16,196
10	16,348	16,485	16,623	16,762	16,901	17,043	17,185	17,329
11	17,641	17,882	18,128	18,376	18,628	18,884	19,142	19,405
12	19,497	19,739	19,984	20,231	20,482	20,736	20,992	21,253
13	21,447	21,713	21,982	22,254	22,530	22,809	23,091	23,378
14	23,592	23,884	24,180	24,480	24,783	25,089	25,401	25,715
15	25,951	26,273	26,598	26,928	27,261	27,599	27,940	28,287
16	28,546	28,900	29,258	29,620	29,987	30,359	30,735	31,115
17	31,401	31,790	32,184	32,582	32,986	33,395	33,808	34,227
18	34,541	34,969	35,403	35,840	36,285	36,734	37,189	37,650
19	38,479	39,107	39,745	40,394	41,053	41,723	42,405	43,097
20	43,482	44,191	44,912	45,645	46,390	47,148	47,917	48,699
21	49,134	49,936	50,751	51,579	52,421	53,276	54,146	55,030
22	55,521	56,427	57,349	58,285	59,236	60,203	61,186	62,183
23	62,739	63,763	64,804	65,861	66,937	68,029	69,139	70,268
24	70,895	72,052	73,228	74,423	75,638	76,873	78,128	79,403
25	80,821	82,140	83,480	84,843	86,227	87,635	89,066	90,519
26	91,327	92,817	94,333	95,872	97,437	99,028	100,643	102,286
27	103,199	104,884	106,596	108,336	110,104	111,901	113,727	115,584
28	116,616	118,519	120,454	122,420	124,417	126,449	128,512	130,609
29	131,776	133,927	136,112	138,334	140,592	142,887	145,218	147,589
30	148,906	151,337	153,807	156,318	158,868	161,462	164,097	166,775

 



## ANNEX “A-5”

### Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Fifth Class Provinces and Cities and Third Class Municipalities Effective Not Earlier Than January 1, 2019 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,854	8,928	9,003	9,078	9,154	9,230	9,308	9,386
2	9,409	9,481	9,554	9,627	9,701	9,775	9,850	9,926
3	9,973	10,050	10,126	10,205	10,283	10,362	10,442	10,522
4	10,571	10,653	10,734	10,817	10,900	10,983	11,068	11,153
5	11,206	11,292	11,378	11,466	11,554	11,642	11,732	11,822
6	11,878	11,969	12,061	12,154	12,247	12,341	12,436	12,531
7	12,590	12,687	12,785	12,883	12,982	13,082	13,182	13,283
8	13,406	13,528	13,650	13,774	13,898	14,023	14,150	14,278
9	14,380	14,500	14,622	14,744	14,867	14,991	15,117	15,243
10	15,386	15,515	15,645	15,776	15,907	16,041	16,174	16,310
11	16,603	16,830	17,062	17,295	17,532	17,773	18,016	18,263
12	18,350	18,578	18,808	19,041	19,277	19,516	19,758	20,002
13	20,186	20,436	20,689	20,945	21,205	21,467	21,733	22,002
14	22,204	22,479	22,758	23,040	23,325	23,614	23,906	24,202
15	24,425	24,727	25,034	25,344	25,658	25,975	26,297	26,623
16	26,867	27,200	27,537	27,878	28,223	28,573	28,927	29,285
17	29,554	29,920	30,290	30,666	31,046	31,430	31,819	32,214
18	32,510	32,912	33,320	33,732	34,150	34,574	35,002	35,435
19	36,215	36,806	37,407	38,018	38,638	39,269	39,910	40,562
20	40,924	41,591	42,270	42,960	43,662	44,374	45,098	45,834
21	46,244	46,998	47,766	48,545	49,338	50,142	50,961	51,793
22	52,255	53,108	53,975	54,856	55,751	56,662	57,586	58,526
23	59,049	60,012	60,992	61,987	62,999	64,027	65,072	66,134
24	66,725	67,814	68,921	70,046	71,189	72,351	73,532	74,732
25	76,066	77,308	78,570	79,852	81,155	82,480	83,826	85,194
26	85,955	87,358	88,784	90,233	91,706	93,202	94,723	96,270
27	97,129	98,714	100,326	101,963	103,627	105,318	107,038	108,785
28	109,756	111,547	113,368	115,218	117,098	119,010	120,953	122,926
29	124,024	126,049	128,106	130,197	132,322	134,482	136,676	138,907
30	140,147	142,434	144,759	147,122	149,523	151,964	154,444	156,965





# ANNEX "A-6"

## Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Sixth Class Provinces and Cities and Fourth Class Municipalities Effective Not Earlier Than January 1, 2019 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,301	8,370	8,441	8,511	8,582	8,654	8,726	8,799
2	8,821	8,888	8,957	9,026	9,095	9,164	9,235	9,305
3	9,350	9,422	9,494	9,567	9,641	9,714	9,789	9,864
4	9,911	9,987	10,064	10,141	10,219	10,297	10,376	10,456
5	10,505	10,586	10,667	10,749	10,832	10,915	10,999	11,083
6	11,135	11,221	11,307	11,394	11,482	11,570	11,659	11,748
7	11,804	11,894	11,986	12,078	12,170	12,264	12,358	12,453
8	12,569	12,683	12,797	12,913	13,029	13,147	13,266	13,386
9	13,481	13,594	13,708	13,823	13,938	14,054	14,172	14,291
10	14,425	14,546	14,667	14,790	14,913	15,038	15,164	15,290
11	15,566	15,779	15,995	16,214	16,436	16,662	16,890	17,122
12	17,204	17,417	17,633	17,851	18,072	18,296	18,523	18,752
13	18,924	19,159	19,396	19,636	19,880	20,126	20,375	20,627
14	20,816	21,074	21,335	21,600	21,867	22,138	22,412	22,690
15	22,898	23,182	23,469	23,760	24,054	24,352	24,653	24,959
16	25,188	25,500	25,816	26,135	26,459	26,787	27,119	27,455
17	27,707	28,050	28,397	28,749	29,105	29,466	29,831	30,200
18	30,478	30,855	31,238	31,624	32,016	32,413	32,814	33,221
19	33,952	34,506	35,069	35,642	36,224	36,815	37,416	38,027
20	38,366	38,992	39,629	40,275	40,933	41,601	42,280	42,970
21	43,354	44,061	44,780	45,511	46,254	47,009	47,776	48,556
22	48,989	49,789	50,602	51,428	52,267	53,120	53,987	54,868
23	55,358	56,261	57,180	58,113	59,062	60,026	61,005	62,001
24	62,555	63,575	64,613	65,668	66,740	67,829	68,936	70,061
25	71,312	72,476	73,659	74,861	76,083	77,325	78,587	79,870
26	80,583	81,898	83,235	84,593	85,974	87,377	88,803	90,253
27	91,058	92,545	94,055	95,591	97,151	98,736	100,348	101,986
28	102,896	104,576	106,283	108,017	109,780	111,572	113,393	115,244
29	116,273	118,171	120,099	122,060	124,052	126,077	128,134	130,226
30	131,388	133,532	135,712	137,927	140,178	142,466	144,791	147,155

 



## ANNEX “A-7”

### Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Fifth Class Municipalities Effective Not Earlier Than January 1, 2019 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	7,748	7,812	7,878	7,944	8,010	8,077	8,145	8,212
2	8,233	8,296	8,359	8,424	8,488	8,553	8,619	8,685
3	8,726	8,793	8,861	8,929	8,998	9,066	9,136	9,206
4	9,250	9,321	9,393	9,465	9,538	9,610	9,685	9,759
5	9,805	9,881	9,956	10,032	10,109	10,187	10,266	10,344
6	10,393	10,473	10,553	10,634	10,716	10,798	10,882	10,965
7	11,017	11,101	11,187	11,273	11,359	11,446	11,534	11,623
8	11,731	11,837	11,944	12,052	12,160	12,270	12,382	12,494
9	12,583	12,688	12,794	12,901	13,009	13,117	13,227	13,338
10	13,463	13,576	13,689	13,804	13,919	14,036	14,153	14,271
11	14,528	14,727	14,929	15,133	15,341	15,551	15,764	15,980
12	16,057	16,255	16,457	16,661	16,867	17,077	17,288	17,502
13	17,662	17,882	18,103	18,327	18,554	18,784	19,016	19,252
14	19,429	19,669	19,913	20,160	20,409	20,662	20,918	21,177
15	21,372	21,636	21,904	22,176	22,450	22,728	23,010	23,295
16	23,509	23,800	24,095	24,393	24,695	25,001	25,311	25,624
17	25,859	26,180	26,504	26,832	27,165	27,502	27,842	28,187
18	28,446	28,798	29,155	29,516	29,882	30,252	30,626	31,006
19	31,688	32,206	32,731	33,265	33,809	34,360	34,922	35,491
20	35,809	36,392	36,987	37,590	38,204	38,828	39,461	40,105
21	40,464	41,124	41,795	42,477	43,170	43,875	44,591	45,319
22	45,723	46,470	47,228	47,999	48,782	49,579	50,388	51,210
23	51,668	52,511	53,368	54,239	55,124	56,024	56,938	57,868
24	58,384	59,337	60,306	61,290	62,290	63,307	64,341	65,391
25	66,558	67,645	68,748	69,871	71,011	72,170	73,348	74,545
26	75,211	76,438	77,686	78,954	80,242	81,552	82,883	84,236
27	84,988	86,375	87,785	89,218	90,674	92,154	93,658	95,187
28	96,037	97,604	99,197	100,816	102,461	104,134	105,834	107,561
29	108,521	110,293	112,092	113,922	115,781	117,671	119,592	121,544
30	122,629	124,630	126,664	128,732	130,833	132,969	135,139	137,344





## ANNEX “A-8”

### Fourth Tranche Monthly Salary Schedule for Local Government Personnel In Sixth Class Municipalities Effective Not Earlier Than January 1, 2019 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	7,194	7,254	7,315	7,376	7,438	7,500	7,563	7,626
2	7,645	7,703	7,762	7,822	7,882	7,942	8,003	8,065
3	8,103	8,165	8,228	8,291	8,355	8,419	8,484	8,549
4	8,589	8,655	8,722	8,789	8,856	8,924	8,993	9,062
5	9,105	9,175	9,245	9,316	9,387	9,459	9,532	9,605
6	9,651	9,725	9,799	9,875	9,951	10,027	10,104	10,182
7	10,230	10,308	10,388	10,468	10,548	10,629	10,710	10,793
8	10,893	10,992	11,091	11,191	11,292	11,394	11,497	11,601
9	11,684	11,781	11,880	11,980	12,080	12,180	12,282	12,385
10	12,501	12,606	12,711	12,818	12,925	13,033	13,142	13,252
11	13,490	13,675	13,863	14,052	14,245	14,440	14,638	14,839
12	14,910	15,094	15,282	15,471	15,662	15,857	16,053	16,252
13	16,401	16,604	16,810	17,018	17,229	17,442	17,658	17,877
14	18,041	18,264	18,491	18,720	18,951	19,186	19,424	19,664
15	19,845	20,091	20,340	20,592	20,847	21,105	21,366	21,631
16	21,830	22,100	22,374	22,651	22,931	23,215	23,503	23,794
17	24,012	24,310	24,611	24,916	25,225	25,537	25,853	26,174
18	26,414	26,741	27,073	27,407	27,747	28,091	28,439	28,791
19	29,425	29,905	30,393	30,889	31,394	31,906	32,427	32,956
20	33,251	33,793	34,345	34,905	35,475	36,054	36,642	37,240
21	37,573	38,186	38,810	39,443	40,087	40,741	41,406	42,082
22	42,457	43,150	43,855	44,571	45,298	46,038	46,789	47,552
23	47,977	48,760	49,556	50,365	51,187	52,022	52,871	53,734
24	54,214	55,099	55,998	56,912	57,841	58,785	59,745	60,720
25	61,804	62,813	63,838	64,880	65,939	67,015	68,109	69,220
26	69,839	70,978	72,137	73,314	74,511	75,727	76,963	78,219
27	78,917	80,205	81,515	82,845	84,197	85,571	86,968	88,388
28	89,177	90,632	92,112	93,615	95,142	96,696	98,274	99,878
29	100,770	102,415	104,086	105,785	107,511	109,266	111,049	112,862
30	113,870	115,728	117,617	119,537	121,488	123,471	125,486	127,534



**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, 2019, under the new Salary Schedule; SG \_\_\_\_, Step \_\_\_\_ P \_\_\_\_\_
2. Actual monthly basic salary as of December 31, 2018; SG \_\_\_\_, Step \_\_\_\_ P \_\_\_\_\_
3. Monthly salary adjustment effective January 1, 2019 (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: \_\_\_\_\_

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**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, 2018;  
SG \_\_\_\_ P \_\_\_\_\_
3. Monthly salary/daily wage adjustment  
effective \_\_\_\_\_ (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 as of December 31, 2018 falls between steps of the salary grade allocation of the position as a result of 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 1<sup>st</sup> class province was demoted to Administrative Officer I/SG-10 due to exigency in service effective October 1, 2018. His salary for the position of Administrative Officer II/SG-11, Step 1 is P20,179; the authorized salary for the position of Administrative Officer I, SG-10, Step 1 is P18,718. Due to the non-diminution of pay, employee gets to keep his actual salary of P20,179.

His salary shall be adjusted to P20,218 (SG-10, Step 7) beginning January 2019 since the actual salary (P20,179) of the incumbent as of December 31, 2018 falls between Step 6 (P20,051) and Step 7 (P20,218) 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, 2018	LBC No. 115	P20,179	P20,179
Administrative Officer I, SG-10	October 1, 2018	Demotion due to the exigency of service	P18,718	P20,179
Administrative Officer I, SG-10	January 1, 2019	EO No. 201	P19,233	P20,218 (Adjusted Salary = SG-10, 7 <sup>th</sup> step)

## Annex “D”

### Illustrative Example

**Rule:** *If the actual monthly basic salary of an incumbent as of December 31, 2018 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of 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 3<sup>rd</sup> class municipality was involuntarily demoted effective February 1, 2018 to Administrative Assistant (AA) VI (Computer Operator III)/SG-12 due to the reorganization of the 3<sup>rd</sup> class municipality.

The employee's salary as SAA I was P19,608 (SG-13, Step 2); while the authorized salary for AA VI is P17,928 (SG-12, Step 2). Incumbent gets to receive the salary of P19,608 until December 31, 2018 due to non-diminution of pay.

Since the current actual salary of P19,608 exceeds the rate for SG-12, Step 8 (P19,234) in the salary schedule adopted in 2018, his rate shall be adjusted to P20,002 (SG-12, Step 8) not earlier than January 1, 2019 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, 2018	LBC No. 115	P19,608	P19,608
Administrative Assistant VI, SG-12	February 1, 2018	Demotion due to the exigency of service	P17,928	P19,608
Administrative Assistant VI, SG-12	January 1, 2019	EO No. 201	P18,578	P20,002 (Adjusted Salary = SG-12, 8 <sup>th</sup> step)



## Annex “E”

### Illustrative Example

**Rule:** *If the actual monthly basic salary of an incumbent as of December 31, 2018 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of 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, 2018 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 2<sup>nd</sup> class municipality was transferred effective July 1, 2018 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, 2018 is Administrative Aide IV/SG-4.

The employee's salary as Administrative Assistant III is P15,789 (SG-9, Step-8); the authorized salary for Administrative Aide IV is P11,410 (SG-4, Step 8). He will continue to receive his salary of P15,789 for 2017 due to involuntary demotion.

Beginning January 1, 2019, the incumbent may no longer be entitled to salary increase since his present actual salary (P15,789) is already higher than the rate provided for SG-4, Step 8 (P11,850) 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, 2018	LBC No. 115	P15,789	P15,789 (Step 8)
Administrative Aide IV, SG-4	July 1, 2018	Transfer and involuntary demotion	P11,410	P15,789
Administrative Aide IV, SG-4	January 1, 2019	EO No. 201	P11,850	P15,789 (Exceeds Step 8 of SG-4)