



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

BUDGET CIRCULAR

No. 2020 - 1
March 24, 2020

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including Constitutional Offices Enjoying Fiscal Autonomy, State Universities and Colleges (SUCs), and Government-Owned or -Controlled Corporations (GOCCs); Local Water Districts (LWDs); Local Government Units (LGUs); and All Others Concerned

SUBJECT : Guidelines on the Grant of the COVID-19 Hazard Pay

1.0 Background

- 1.1 Administrative Order (AO) No. 26¹ dated March 23, 2020 authorizes the grant of Hazard Pay, to be called as **COVID-19 Hazard Pay**, to government employees and workers engaged through contract of service (COS) or job order (JO) basis who physically report for work during the implementation of an Enhanced Community Quarantine in their respective work stations, in an amount not exceeding ₱500/day per person.

Said benefit shall be granted to the aforementioned government employees and workers since they are inevitably exposed to health risks and hazards if they physically report for work during the period of an Enhanced Community Quarantine.

- 1.2 AO No. 26 is in accordance with Congress Joint Resolution No. 4 dated June 17, 2009 which authorizes the grant of Hazard Pay to government personnel exposed to hazardous situations, such as, but not limited to, disease-infected places, which pose occupational risks or perils to life.

2.0 Purpose

This Circular is issued to prescribe the guidelines on the grant of the COVID-19 Hazard Pay pursuant to AO No. 26.

¹ Authorizing the Grant of Hazard Pay to Government Personnel Who Physically Report for Work During the Period of Implementation of an Enhanced Community Quarantine Relative to the COVID-19 Outbreak

3.0 Coverage

The guidelines and conditions in this Circular shall cover the following:

- 3.1 Civilian personnel in national government agencies (NGAs), including those in SUCs and GOCCs, occupying regular, contractual or casual positions;
- 3.2 Military personnel of the Armed Forces of the Philippines, Department of National Defense; and uniformed personnel of the Philippine National Police, Bureau of Fire Protection, and Bureau of Jail Management and Penology under the Department of the Interior and Local Government; Bureau of Corrections under the Department of Justice; Philippine Coast Guard under the Department of Transportation; and the National Mapping and Resource Information Authority under the Department of Environment and Natural Resources;
- 3.3 Employees in the Legislative and Judicial Departments and other offices vested with fiscal autonomy;
- 3.4 Employees in LGUs;
- 3.5 Employees in LWDs; and
- 3.6 Workers engaged through COS, JO, or other similar schemes.

4.0 Guidelines and Conditions on the Grant of the COVID-19 Hazard Pay

The heads of government agencies may grant the COVID-19 Hazard Pay to their personnel/workers without the need for further approval by the Department of Budget and Management (DBM), subject to the following guidelines and conditions:

- 4.1 The COVID-19 Hazard Pay to be granted shall not exceed ₱500/day per person, which shall be computed as follows:

$$\begin{array}{l} \text{COVID-19} \\ \text{Hazard} \\ \text{Pay} \end{array} = \text{₱500} \times \begin{array}{l} \text{No. of Days Physically Reporting for} \\ \text{Work During the Quarantine Period} \end{array}$$

- 4.2 The personnel are occupying regular, contractual or casual positions, or are workers engaged through COS, JO, or other similar schemes.
- 4.3 The personnel/workers have been authorized to physically report for work at their respective offices or work stations on the prescribed official working hours by the head of agency/office during the period of implementation of Enhanced Community Quarantine measures in the area of such office or work station.

- 4.4 The total rate of the COVID-19 Hazard Pay shall be based on the number of days an employee/worker physically reports for work during the Enhanced Community Quarantine period using the formula under Item 4.1 hereof.
- 4.5 Personnel who are already entitled to Hazard Pay, Hazardous Duty Pay, Hazard Allowance or other similar benefits under existing laws, issuances, rules, and regulations, such as public health workers, public social workers, science and technology personnel, and military and uniformed personnel, shall continue to be entitled to such benefits or the COVID-19 Hazard Pay, whichever is higher.
- 4.6 The COVID-19 Hazard Pay of an employee on part-time basis shall be pro-rated corresponding to the services rendered. If employed on part-time basis with two (2) or more agencies, an employee shall be entitled to proportionate amounts corresponding to the services in each agency, provided that the total COVID-19 Hazard Pay shall not exceed the authorized amount.
- 4.7 The COVID-19 Hazard Pay of an employee on detail to another government agency shall be granted by the parent agency.
- 4.8 A compulsory retiree, on service extension, may be granted the COVID-19 Hazard Pay, subject to the pertinent conditions and guidelines under this Circular.

5.0 **Funding Source**

- 5.1 For NGAs, including SUCs
 - 5.1.1 The amount required for personnel occupying regular, contractual or casual positions shall be charged against their available released Personnel Services (PS) allotments, while the amount required for COS or JO workers shall be charged against their available released Maintenance and Other Operating Expenses (MOOE) allotments, without need for prior authority from the DBM, provided that all authorized mandatory expenses shall have been paid first.
 - 5.1.2 Should an NGA or SUC have insufficient PS or MOOE allotments, as the case may be, to fully cover the COVID-19 Hazard Pay at the rate of ₱500/day per person, a lower but uniform rate may be granted for all qualified personnel.
- 5.2 For GOCCs, the amount required shall be charged against their respective approved corporate operating budgets (COBs) for FY 2020. A GOCC which does not have sufficient funds to fully cover the COVID-19 Hazard Pay at ₱500/day per person, may grant the same at a lower but uniform rate for all qualified personnel.

6.0 Grant of the COVID-19 Hazard Pay in the Legislative and Judicial Branches and Other Offices Vested with Fiscal Autonomy

Employees and workers engaged through COS or JO basis in the Senate, House of Representatives, The Judiciary, Office of the Ombudsman, and Constitutional Offices vested with fiscal autonomy who physically report for work during the quarantine period, and have adopted similar work arrangements as provided in Section 2(b) of AO No. 26, may likewise be granted the COVID-19 Hazard Pay not exceeding ₱500/day per person, subject to the conditions set in Item 4.0 hereof.

The funding requirement for the COVID-19 Hazard Pay of the regular/contractual/casual personnel and COS/JO workers shall be charged against the available released PS and MOOE allotments, respectively, of their respective agencies. Should there be insufficient funds to fully cover the COVID-19 Hazard Pay at the rate of ₱500/day per person, a lower but uniform rate may be granted for all qualified personnel.

7.0 Grant of the COVID-19 Hazard Pay in LGUs

The grant of the COVID-19 Hazard Pay to employees/workers in LGUs, including those in the barangays, who physically report for work during the quarantine period, and have adopted similar work arrangements as provided in Section 2(b) of AO No. 26, shall be determined by their respective *Sanggunian* depending on the LGU's financial capability, at rates not exceeding ₱500/day per person, subject to: (i) the PS limitation in LGU budgets under Republic Act (RA) No. 7160 in the case of regular personnel, and available MOOE allotment in the case of COS/JO workers, and (ii) the conditions set in Item 4.0 hereof, chargeable against the FY 2020 local government funds.

Should an LGU have insufficient funds to fully cover the COVID-19 Hazard Pay at the rate of ₱500/day per person, a lower but uniform rate may be granted for all qualified personnel.

8.0 Grant of the COVID-19 Hazard Pay in LWDs

LWDs which have adopted similar work arrangements as provided in Section 2(b) of AO No. 26 may also grant the COVID-19 Hazard Pay to their employees/workers who physically report for work during the quarantine period, at rates to be determined by their Board of Directors (BOD), but not exceeding ₱500/day per person, chargeable against their respective BOD-approved COBs, subject to the conditions set in Item 4.0 hereof.

Should an LWD have insufficient funds to fully cover the COVID-19 Hazard Pay at the rate of ₱500/day per person, a lower but uniform rate may be granted for all qualified personnel.

9.0 Grant of the COVID-19 Hazard Pay in Agencies Exempted from the Coverage of RA No. 6758, as amended.

NGAs and GOCCs exempted from the coverage of RA No. 6758, as amended, which have adopted similar work arrangements as provided in Section 2(b) of AO No. 26 may also grant the COVID-19 Hazard Pay to their employees who physically report for work during the quarantine period at rates to be determined by their respective governing boards or agency heads, but not to exceed ₱500/day per person, subject to the conditions set in Item 4.0 hereof.

Should there be insufficient funds to fully cover the COVID-19 Hazard Pay at the rate of ₱500/day per person, a lower but uniform rate may be granted for all qualified personnel.

10.0 Retroactive Application

The grant of the COVID-19 Hazard Pay shall be effective beginning March 17, 2020.

11.0 Responsibilities 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 hereof without prejudice to the refund by the employees concerned of any excess or unauthorized payments.

12.0 Resolution of Cases

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

13.0 Effectivity

This Circular shall take effect immediately.


WENDEL E. AVISADO
Secretary

