



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT



NATIONAL BUDGET CIRCULAR

No. 588
January 3, 2022

TO : Heads of Departments, Agencies, and Other Offices of the National Government, Including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG), State Universities and Colleges (SUCs), and Government-Owned or -Controlled Corporations (GOCCs); and All Others Concerned

SUBJECT : Implementation of the Third Tranche of the Modified Salary Schedule for Civilian Personnel in the National Government Pursuant to Republic Act (RA) No. 11466

1.0 Background

RA No. 11466¹, otherwise known as the "Salary Standardization Law of 2019," provides the modification of the Salary Schedule for Civilian Personnel and authorizes the grant of additional benefits.

Said Act also states that the modified Salary Schedule for Civilian Personnel shall be implemented in four (4) tranches, i.e., from FY 2020 to FY 2023.

2.0 Purpose

This Circular is issued to prescribe the guidelines, rules, and regulations for the implementation of the third tranche of the modified Salary Schedule for Civilian Personnel stipulated under RA No. 11466.

3.0 Coverage

This Circular covers all positions for civilian personnel, whether regular, casual, or contractual in nature, appointive or elective, full-time or part-time, now existing or hereafter created in the Executive, Legislative, and Judicial Branches, the Constitutional Commissions and other Constitutional Offices, SUCs, and GOCCs not covered by RA No. 10149², which are under the jurisdiction of the Department of Budget and Management (DBM).

¹ An Act Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits, and for Other Purposes

² An Act to Promote Financial Viability and Fiscal Discipline in Government-Owned or -Controlled Corporations and to Strengthen the Role of the State in its Governance and Management to Make Them More Responsive to the Needs of Public Interest and for Other Purposes

4.0 Exclusions

The following are excluded from the coverage of this Circular:

- 4.1 Military and uniformed personnel;
- 4.2 GOCCs under RA No. 10149 which shall be covered by a Compensation and Position Classification System (CPCS) established by the Governance Commission for GOCCs (GCG) and approved by the President of the Philippines; and
- 4.3 Individuals engaged without employer-employee relationship and funded from non-Personnel Services (PS) appropriations/budgets, as follows:
 - 4.3.1 Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
 - 4.3.2 Laborers engaged through job contracts (*pakyaw*) and those paid on piecework basis;
 - 4.3.3 Student workers and apprentices; and
 - 4.3.4 Those whose services are engaged through job orders, contracts of service, or others similarly situated.

5.0 Implementation of the Third Tranche of the Modified Salary Schedule for Civilian Personnel Effective January 1, 2022

The new salary rates shall be in accordance with the Third Tranche Monthly Salary Schedule for Civilian Personnel, attached as Annex "A" in this Circular.

5.1 Rules for Adjusting Salaries

- 5.1.1 The salaries of incumbent civilian personnel shall be adjusted to the rates in the Salary Schedule in Annex "A" corresponding to the designated steps of the salary grade allocations of their positions as of December 31, 2021, provided, that their positions and salary grades are in accordance with the Index of Occupational Services, Occupational Groups, Classes, and Salary Grades issued under Budget Circular (BC) No. 2018-4³ dated October 16, 2018, and additions/modifications thereto.
- 5.1.2 If the actual monthly basic salary of an incumbent as of December 31, 2021 falls between steps of the salary grade allocation of the position due to the grant of service award or 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 in Annex "A".
- 5.1.3 If the actual monthly basic salary of an incumbent as of December 31, 2021 exceeds that for Step 8 of the salary grade allocation of the position:

³ Index of Occupational Services, Occupational Groups, Classes and Salary Grades, CY 2018 Edition

- 5.1.3.1 The salary shall be adjusted to the rate for Step 8 of the same salary grade in the Salary Schedule in Annex "A".
- 5.1.3.2 The employee shall not be entitled to salary increase if the actual salary as of December 31, 2021 exceeds the rate for Step 8 of the same salary grade in the Salary Schedule in Annex "A".
- 5.1.4 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 in Annex "A".
- 5.1.5 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 Salary Schedule in Annex "A". The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly rates by 22 work days per month.
- 5.1.6 Compulsory retirees whose services have been extended beyond December 31, 2021 shall be entitled to salary increase following items 5.1.1 to 5.1.3 of this Circular, whichever is applicable. However, their retirement benefits, including Terminal Leave Benefits, shall be computed based on their monthly basic salaries as of the day prior to the effectivity of their retirement, consistent with existing laws, rules, and regulations.

6.0 Implementation of the Third Tranche of the Modified Salary Schedule in GOCCs Covered by the DBM

- 6.1 The implementation of the Third Tranche Monthly Salary Schedule in GOCCs covered by the DBM shall be as determined by their respective governing boards. GOCCs which do not have sufficient funds to implement fully the Salary Schedule in Annex "A" may adopt their respective salary schedules at lower rates but at a uniform percentage of the salaries in Annex "A".
- 6.2 In the formulation of such salary schedules, GOCCs shall ensure that they can fund on a sustainable basis the increased salaries, including the government counterparts to the Retirement and Life Insurance Premiums, Pag-IBIG Contributions, PhilHealth Contributions, and the Employees Compensation Insurance Premiums.
- 6.3 In the adjustment of the salaries of incumbent personnel effective not earlier than January 1, 2022, the pertinent rules under this Circular shall apply.

7.0 Procedural Guidelines

- 7.1 The Human Resource Management Officer (HRMO)/Administrative Officer (AO) of a national government agency (NGA) or GOCC shall prepare Notices of Salary Adjustment (NOSAs) for incumbent civilian personnel by following the format marked as Annex "B-1" or Annex "B-2", whichever is applicable, for approval by the Head of Agency.

For personnel whose actual monthly salaries as of December 31, 2021 exceed the rates corresponding to Step 8 of the salary grade allocations of their positions in Annex "A", the HRMO/AO shall no longer prepare NOSAs.

- 7.2 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if they are members thereof.
- 7.3 The salary 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 personnel concerned shall refund any overpayments received.

8.0 Fund Sources

- 8.1 The amounts required to implement the salary adjustment and related fixed expenditures of personnel in NGAs shall be charged against the respective agency budgets authorized under RA No. 11639 or the FY 2022 General Appropriations Act (GAA).
- 8.2 The amounts required to implement the salary adjustment and related fixed expenditures of casual and contractual personnel in NGAs whose salaries are drawn from the lumpsum appropriations for non-itemized positions shall be sourced from the agency's lumpsum appropriations included in the FY 2022 budget.
- 8.3 For covered GOCCs, the amounts shall be charged against their approved corporate operating budgets (COBs), provided that the national government shall not release funds for salary adjustment or any related expenditures; provided, further, that the GOCCs shall not resort to borrowings for the purpose; and provided, furthermore, that the performance targets in their DBM-approved COBs are met and their programs/projects for the year are not adversely affected.

9.0 Release of Funds

- 9.1 The requirements for compensation adjustment for personnel of NGAs shall be released through the GAA as Allotment Order, chargeable against the respective agency PS budget under the FY 2022 GAA.
- 9.2 In case of deficiency, the agency may submit a request to the DBM for release of funds charged to the Miscellaneous Personnel Benefits Fund.

10.0 Exempt Entities

Consistent with Section 12 of RA No. 11466, exempt entities shall be governed by their respective CPCS which shall be made effective upon the recommendation of the DBM or the GCG, as the case may be, and approval by the President of the Philippines.

Exempt entities refer to: (a) government agencies that are not covered by the CPCS authorized under RA No. 6758, as amended; (b) GOCCs governed by the CPCS established by the GCG under RA No. 10149; and (c) those authorized by law and have actually adopted their own CPCS.

11.0 Applicability to Certain Officials

Pursuant to Section 6 of Article VII and Section 10 of Article VI of the Constitution, the salaries authorized herein for the President of the Philippines, Vice-President of the Philippines, and Members of Congress shall take effect only after the expiration of the respective terms of the present incumbents.

12.0 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.

13.0 Resolution of Cases

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

14.0 Effectivity

This Circular shall take effect on January 1, 2022.




TINA ROSE MARIE L. CANDA
Officer-in-Charge

ANNEX "A"

Third Tranche Monthly Salary Schedule for Civilian Personnel of the National Government Effective January 1, 2022 (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	12,517	12,621	12,728	12,834	12,941	13,049	13,159	13,268
2	13,305	13,406	13,509	13,613	13,718	13,823	13,929	14,035
3	14,125	14,234	14,343	14,454	14,565	14,676	14,790	14,903
4	14,993	15,109	15,224	15,341	15,459	15,577	15,698	15,818
5	15,909	16,032	16,155	16,279	16,404	16,530	16,657	16,784
6	16,877	17,007	17,137	17,269	17,402	17,535	17,670	17,806
7	17,899	18,037	18,176	18,315	18,455	18,598	18,740	18,884
8	18,998	19,170	19,343	19,518	19,694	19,872	20,052	20,233
9	20,402	20,572	20,745	20,918	21,093	21,269	21,447	21,626
10	22,190	22,376	22,563	22,752	22,942	23,134	23,327	23,522
11	25,439	25,723	26,012	26,304	26,600	26,901	27,205	27,514
12	27,608	27,892	28,180	28,471	28,766	29,065	29,367	29,673
13	29,798	30,111	30,427	30,747	31,072	31,400	31,732	32,069
14	32,321	32,665	33,013	33,366	33,722	34,083	34,449	34,819
15	35,097	35,475	35,858	36,246	36,638	37,035	37,437	37,845
16	38,150	38,566	38,987	39,413	39,845	40,282	40,725	41,172
17	41,508	41,966	42,429	42,898	43,373	43,854	44,340	44,833
18	45,203	45,706	46,216	46,731	47,254	47,783	48,318	48,860
19	49,835	50,574	51,325	52,088	52,864	53,652	54,454	55,268
20	55,799	56,633	57,482	58,344	59,221	60,112	61,017	61,937
21	62,449	63,392	64,351	65,325	66,316	67,322	68,345	69,385
22	69,963	71,029	72,113	73,214	74,333	75,471	76,627	77,801
23	78,455	79,659	80,884	82,133	83,474	84,836	86,220	87,628
24	88,410	89,853	91,320	92,810	94,325	95,865	97,430	99,020
25	100,788	102,433	104,105	105,804	107,531	109,286	111,070	112,883
26	113,891	115,749	117,639	119,558	121,510	123,493	125,508	127,557
27	128,696	130,797	132,931	135,101	137,306	139,547	141,825	144,140
28	145,427	147,800	150,213	152,664	155,155	157,689	160,262	162,877
29	164,332	167,015	169,740	172,511	175,326	178,188	181,096	184,052
30	185,695	188,726	191,806	194,937	198,118	201,352	204,638	207,978
31	273,278	278,615	284,057	289,605	295,262	301,028	306,908	312,902
32	325,807	332,378	339,080	345,918	352,894	360,011	367,272	374,678
33	411,382	423,723						

For Regular Positions

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to National Budget Circular No. ____ dated _____, implementing Republic Act No. ____ dated _____, your salary is hereby adjusted effective January 1, 2022, as follows:

1. Adjusted monthly basic salary effective January 1, 2022, under the new Salary Schedule; SG ____, Step ____ ₱ _____
2. Actual monthly basic salary as of December 31, 2021; SG ____, Step ____ _____
3. Monthly salary adjustment effective January 1, 2022 (1-2) ₱ _____

It is understood that this salary adjustment is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Head of Agency

Position Title: _____
Salary Grade: _____
Item No./Unique Item No., FY ____ Personnel Services Itemization
and/or Plantilla of Personnel: _____

Copy Furnished: GSIS

For Contractual/Casual Personnel

Notice of Salary/Wage Adjustment

Date: _____

_____:

Pursuant to National Budget Circular No. _____ dated _____, implementing Republic Act No. _____ dated _____, 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, 2021;
SG _____, _____
3. Monthly salary adjustment/Daily wage adjustment
effective _____ (1-2) P _____

It is understood that this salary/wage adjustment is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Head of Agency

Position Title: _____
Salary Grade: _____

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