



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

LOCAL BUDGET CIRCULAR

No. 165
July 18, 2025

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 Second Tranche of the Updated Salary Schedule for Local Government Personnel Pursuant to Executive Order (EO) No. 64¹, s. 2024

1.0 Background

- 1.1 EO No. 64, s. 2024 was issued to update the Salary Schedule for Civilian Government Personnel to ensure a competitive, effective, and sustainable Compensation and Position Classification System (CPCS).

The local government units (LGUs) will implement the updated Salary Schedule in four (4) tranches, provided that the implementation period shall **not** be less than four (4) years, depending on their financial capabilities.

- 1.2 Under Section 4 of EO No. 64, the updated Salary Schedule for civilian government personnel may be granted to the personnel of LGUs, subject to the following:
- (a) Authorization from their respective *sanggunian* as provided under Sections 447 (a), 458 (a), and 468 (a) of Republic Act (RA) No. 7160 or the "*Local Government Code of 1991*," as amended; and
 - (b) Compliance with the Personnel Services (PS) limitation in LGU budgets under Sections 325 and 331 of RA No. 7160.

It is further provided that the rates of pay in the LGUs, which shall be determined on the basis of each LGU's income class and financial capability, shall be at the following percentages of the rates in the Salary Schedule under Section 3 of EO No. 64, subject to any

¹ Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Allowance, and for Other Purposes (dated August 2, 2024)

modification made pursuant to RA No. 11964 or the “*Automatic Income Classification of Local Government Units Act*” and its Implementing Rules and Regulations (IRR):

Percentage of the Salary Schedule		
	For Provinces/Cities	For Municipalities
Special Cities	100%	
1 st Class	100%	90%
2 nd Class	95%	85%
3 rd Class	90%	80%
4 th Class	85%	75%
5 th Class	80%	70%
6 th Class	75%	65%

- 1.3

Section 4 of EO No. 64 further states that the LGUs may fully adopt the Salary Schedule in Section 3 thereof, notwithstanding the above ceilings, subject to compliance with the PS limitation and budgetary authorization requirements of RA No. 7160, as well as the guidelines to be issued by the DBM pursuant to Section 7 (d) of RA No. 11964 and its IRR, *Provided*, That the salary schedule adopted is uniformly applied to all positions in said LGU.
- 1.4

Section 96 of the General Provisions (GPs) of the FY 2025 General Appropriations Act (GAA), RA No. 12116, provides that the enforcement of the PS cap under Sections 325 (a) and 331 (b) of RA No. 7160 shall be waived to enable the LGUs to, among others, pay the increase in salaries pursuant to the implementation of authorized salary adjustment, if any.

2.0 Purpose

This Circular is issued to provide the guidelines, rules, and regulations for the implementation of the Second Tranche of the updated Salary Schedule for civilian personnel as stipulated under EO No. 64, s. 2024.

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, elective or appointive, full-time or part-time, now existing or hereafter created in the 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-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 whose services are engaged through job orders, contracts of service, or others situated similarly.

5.0 Implementation of the Second Tranche of the Updated Salary Schedule in LGUs

The implementation of the Second Tranche of the updated Salary Schedule in the LGUs shall be subject to the authorization from their respective *sanggunian*, as provided under Sections 447 (a), 458 (a), and 468 (a) of RA No. 7160, and the following conditions and considerations:

- 5.1 The new salary rates shall be in accordance with the Second Tranche Monthly Salary Schedule for Local Government Personnel, as presented in **Annexes A-1 to A-7**.

The *Sanggunian* may adopt any of the following options:

- 5.1.1 Fully adopt the Salary Schedule in Section 3 of EO No. 64 (**Annex A-1 of this Circular**), notwithstanding the ceilings provided under Section 4 thereof, subject to compliance with the PS limitation and budgetary authorization requirements of RA No. 7160.
- 5.1.2 Fully adopt the Salary Schedule (**Annexes A-2 to A-7**) corresponding to the LGU's current income classification, per Department of Finance (DOF) Department Order No. 074.2024², which provides the Schedule of the First General Income Reclassification of Provinces, Cities, and Municipalities in accordance with RA No. 11964, that took effect on January 1, 2025.
- 5.1.3 If funds are insufficient to fully implement the Salary Schedule under **Annex A-1** of this Circular, or follow the schedule for the LGU level and income class, or for purposes of complying with the PS limitation, the *Sanggunian* may:
 - (a) Fully adopt a Salary Schedule lower than **Annex A-1**; or
 - (b) Formulate lower rates by applying a uniform percentage to the Salary Schedule corresponding to the LGU's current income classification across all positions.

² Schedule of Income Classification for the First General Income Reclassification of Provinces, Cities, and Municipalities Based on the Income Ranges Under Republic Act No. 11964 (dated November 5, 2024)

- 5.2 The PS limitation in LGU budgets under Sections 325 (a) and 331 (b) of RA No. 7160 shall be complied with, except for the waived items enumerated under Section 96 of the GPs of RA No. 12116 or the FY 2025 General Appropriations Act (GAA).

In this respect, Item 4.2.7 of Department of Budget and Management (DBM) Local Budget Circular (LBC) No. 163³ provides that the waiver shall only cover salary increases charged against the FY 2025 annual/supplemental budgets of the LGUs in consideration of the lower PS limitation of the LGUs due to the decrease in their FY 2023 National Tax Allotment (NTA) shares, which are used to calculate the PS limitation for the current year.

Meanwhile, the waived PS items in the LGU PS budget for FY 2026 and beyond shall be those specified in the applicable GP of the annual GAA.

- 5.3 In the formulation of such salary schedule, the 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.
- 5.4 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. 64, RA No. 7160, and RA No. 7305⁴ on fiscal discipline, prioritization of expenditures, financial capability, and improvement of service delivery.

The *Sanggunian* may adopt any of the following options:

- 5.4.1 Fully adopt the salary rates authorized for the personnel of Special Cities/First Class Provinces and Cities (***Annex A-1***) for the PHWs of the LGU.
- 5.4.2 If LGU funds are not sufficient, adopt a modified salary schedule for the PHWs by applying the same percentage used in Item 5.1.3 (b) above to the rates in ***Annex A-1***.
- 5.5 The implementation of the Second Tranche Salary Schedule shall be effective for a period **not** less than one (1) year from the date of the approval of the appropriation ordinance authorizing the supplemental budget or augmentation or on the date fixed therein by the *Sanggunian*, subject to the pertinent provisions of RA No. 7160.

³ Guidelines on the Implementation of Personal Services (PS) Limitation on Local Government Budgets and Determination of Waived PS Items Pursuant to Section 96 of the General Provisions (GPs) of the Fiscal Year (FY) 2025 General Appropriations Act (GAA), Republic Act (RA) No. 12116 and Years Thereafter (dated February 27, 2025)

⁴ Magna Carta of Public Health Workers (dated March 26, 1992)

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 current⁵ salary grade allocations and designated steps of their positions.

This is subject to the condition that their positions and salary grades are in accordance with: (a) LBC No. 137⁶, (b) Budget Circular (BC) No. 2021-2⁷, and subsequent amendments thereto.

- 6.2 If the current actual monthly basic salary of an incumbent falls in 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.

- 6.3 If the current actual monthly basic salary of an incumbent exceeds the rate for the 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 the Step 8 of the same salary grade in the salary schedule to be adopted by the LGU;

6.3.2 The incumbent shall not be entitled to salary increase if the current actual salary exceeds the rate for the Step 8 of the same salary grade in the salary schedule to be adopted by the LGU.

- 6.4 For incumbent personnel whose position titles are not in accordance with the Index under LBC No. 137, BC No. 2021-2, 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 the Step 1 of the salary grade allocation of the position in the Salary Schedule to be adopted.

- 6.6 The salaries/wages of casual/contractual personnel shall be adjusted to the rates corresponding to the Step 1 of the salary grade allocations of their positions in the applicable Salary Schedule in **Annexes A-1 to A-7**, effective not earlier than the date of the implementation of the Updated Salary Schedule by the LGU concerned.

The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly salaries by 22 workdays per month.

⁵ Referring to the status prior to the implementation by the LGU of the Adjusted Salary Schedule Authorized under EO No. 64.

⁶ Index of Occupational Services, Position Titles and Salary Grades in the Local Government (IOS-LGU), CY 2021 Edition (dated July 13, 2021)

⁷ Modification of Nurse Positions (dated August 25, 2021)

- 6.7 Compulsory retirees whose services have been extended shall be entitled to salary increase following Items 6.1 to 6.4 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 effective date of their retirement, consistent with existing laws, rules, and regulations.

Annex C contains illustrative examples on how to apply the above salary rules.

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. 64 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 Nos. 63⁸ and 137 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 RA 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 Procedural Guidelines

- 9.1 The Administrative Officer (*Human Resource Management Officer [HRMO]*) shall prepare Notices of Salary Adjustment (NOSAs) for incumbent civilian personnel following the format marked as **Annex B-1** or **Annex B-2**, whichever is applicable, for approval by the Local Chief Executive.

On the other hand, the Administrative Officer (HRMO) is no longer required to prepare NOSAs for the personnel whose current actual monthly salaries exceed the rates corresponding to the Step 8 of the salary grade allocations of their positions in the Salary Schedule adopted by the LGU.

- 9.2 When using digital/electronic signatures for the NOSAs, the LGUs must follow the guidelines for the purpose, as provided under DBM Circular Letter No. 2024-7⁹.

⁸ Position Classification and Compensation of Barangay Officials and Personnel (dated October 22, 1996)

⁹ Guidelines on the Use of Digital and Electronic Signature for the Notice of Step Increment (NOSI) and Notice of Salary Adjustment (NOSA) (dated February 27, 2024)

- 9.3 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if they are members thereof.
- 9.4 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.

10.0 Fund Source

- 10.1 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.
- 10.2 Such amounts shall be authorized through an appropriation ordinance to be enacted by the *Sangguniang Panlalawigan/Panlungsod/Bayan/Barangay*.
- 10.3 Changes in the annual budget of the LGUs may be allowed through supplemental budgets under specified circumstances pursuant to Section 321 of the Local Government Code (LGC) and Article 417 of its IRR, as amended by Administrative Order No. 47¹⁰ or through augmentation pursuant to Section 336 of the LGC and Article 454 of its IRR.

11.0 Responsibilities of LGUs

The 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.

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

The LGU may implement the Second Tranche of the Updated Salary Schedule provided it has already implemented the First Tranche Salary Schedule under EO No. 64 for a minimum of one (1) year.

Furthermore, the LGU will implement the Second Tranche of the Updated Salary Schedule for a period **not** less than one (1) year.

¹⁰ Amending Article 417 of the Rules and Regulations Implementing the Local Government Code of 1991 Approved and Adopted by Administrative Order No. 270 (1992) (dated April 12, 1993)

Finally, the LGUs' implementation of the Second Tranche shall be contingent on the authorization from their respective *Sanggunian*, subject to the pertinent provisions of EO No. 64, s. 2024, RA No. 7160, and the applicable provisions of this Circular.

This Circular shall take effect immediately after its publication in the Official Gazette or in a newspaper of general circulation and upon filing with the University of the Philippines Law Center.


AMENAH F. PANGANDAMAN
Secretary



ANNEX A-1

**Second Tranche Monthly Salary Schedule for Local Government Personnel
In Special Cities and First Class Provinces and Cities
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	14,061	14,164	14,278	14,393	14,509	14,626	14,743	14,862
2	14,925	15,035	15,146	15,258	15,371	15,484	15,599	15,714
3	15,852	15,971	16,088	16,208	16,329	16,448	16,571	16,693
4	16,833	16,958	17,084	17,209	17,337	17,464	17,594	17,724
5	17,866	18,000	18,133	18,267	18,401	18,538	18,676	18,813
6	18,957	19,098	19,239	19,383	19,526	19,670	19,816	19,963
7	20,110	20,258	20,408	20,560	20,711	20,865	21,019	21,175
8	21,448	21,642	21,839	22,035	22,234	22,435	22,638	22,843
9	23,226	23,411	23,599	23,788	23,978	24,170	24,364	24,558
10	25,586	25,790	25,996	26,203	26,412	26,623	26,835	27,050
11	30,024	30,308	30,597	30,889	31,185	31,486	31,790	32,099
12	32,245	32,529	32,817	33,108	33,403	33,702	34,004	34,310
13	34,421	34,733	35,049	35,369	35,694	36,022	36,354	36,691
14	37,024	37,384	37,749	38,118	38,491	38,869	39,252	39,640
15	40,208	40,604	41,006	41,413	41,824	42,241	42,662	43,090
16	43,560	43,996	44,438	44,885	45,338	45,796	46,261	46,730
17	47,247	47,727	48,213	48,705	49,203	49,708	50,218	50,735
18	51,304	51,832	52,367	52,907	53,456	54,010	54,572	55,140
19	56,390	57,165	57,953	58,753	59,567	60,394	61,235	62,089
20	62,967	63,842	64,732	65,637	66,557	67,479	68,409	69,342
21	70,013	71,000	72,004	73,024	74,061	75,115	76,151	77,239
22	78,162	79,277	80,411	81,564	82,735	83,887	85,096	86,324
23	87,315	88,574	89,855	91,163	92,592	94,043	95,518	96,955
24	98,185	99,721	101,283	102,871	104,483	106,123	107,739	109,431
25	111,727	113,476	115,254	117,062	118,899	120,766	122,664	124,591
26	126,252	128,228	130,238	132,280	134,356	136,465	138,608	140,788
27	142,663	144,897	147,169	149,407	151,752	153,850	156,267	158,723
28	160,469	162,988	165,548	167,994	170,634	173,320	175,803	178,572
29	180,492	183,332	186,218	189,151	192,131	194,797	197,870	200,993
30	203,200	206,401	209,558	212,766	216,022	219,434	222,797	226,319

ANNEX A-2

Second Tranche Monthly Salary Schedule for Local Government Personnel In Second Class Provinces and Cities (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	13,358	13,456	13,564	13,673	13,784	13,895	14,006	14,119
2	14,179	14,283	14,389	14,495	14,602	14,710	14,819	14,928
3	15,059	15,172	15,284	15,398	15,513	15,626	15,742	15,858
4	15,991	16,110	16,230	16,349	16,470	16,591	16,714	16,838
5	16,973	17,100	17,226	17,354	17,481	17,611	17,742	17,872
6	18,009	18,143	18,277	18,414	18,550	18,687	18,825	18,965
7	19,105	19,245	19,388	19,532	19,675	19,822	19,968	20,116
8	20,376	20,560	20,747	20,933	21,122	21,313	21,506	21,701
9	22,065	22,240	22,419	22,599	22,779	22,962	23,146	23,330
10	24,307	24,501	24,696	24,893	25,091	25,292	25,493	25,698
11	28,523	28,793	29,067	29,345	29,626	29,912	30,201	30,494
12	30,633	30,903	31,176	31,453	31,733	32,017	32,304	32,595
13	32,700	32,996	33,297	33,601	33,909	34,221	34,536	34,856
14	35,173	35,515	35,862	36,212	36,566	36,926	37,289	37,658
15	38,198	38,574	38,956	39,342	39,733	40,129	40,529	40,936
16	41,382	41,796	42,216	42,641	43,071	43,506	43,948	44,394
17	44,885	45,341	45,802	46,270	46,743	47,223	47,707	48,198
18	48,739	49,240	49,749	50,262	50,783	51,310	51,843	52,383
19	53,571	54,307	55,055	55,815	56,589	57,374	58,173	58,985
20	59,819	60,650	61,495	62,355	63,229	64,105	64,989	65,875
21	66,512	67,450	68,404	69,373	70,358	71,359	72,343	73,377
22	74,254	75,313	76,390	77,486	78,598	79,693	80,841	82,008
23	82,949	84,145	85,362	86,605	87,962	89,341	90,742	92,107
24	93,276	94,735	96,219	97,727	99,259	100,817	102,352	103,959
25	106,141	107,802	109,491	111,209	112,954	114,728	116,531	118,361
26	119,939	121,817	123,726	125,666	127,638	129,642	131,678	133,749
27	135,530	137,652	139,811	141,937	144,164	146,158	148,454	150,787
28	152,446	154,839	157,271	159,594	162,102	164,654	167,013	169,643
29	171,467	174,165	176,907	179,693	182,524	185,057	187,977	190,943
30	193,040	196,081	199,080	202,128	205,221	208,462	211,657	215,003

ANNEX A-3

Second Tranche Monthly Salary Schedule for Local Government Personnel In Third Class Provinces and Cities, and First Class Municipalities (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	12,655	12,748	12,850	12,954	13,058	13,163	13,269	13,376
2	13,433	13,532	13,631	13,732	13,834	13,936	14,039	14,143
3	14,267	14,374	14,479	14,587	14,696	14,803	14,914	15,024
4	15,150	15,262	15,376	15,488	15,603	15,718	15,835	15,952
5	16,079	16,200	16,320	16,440	16,561	16,684	16,808	16,932
6	17,061	17,188	17,315	17,445	17,573	17,703	17,834	17,967
7	18,099	18,232	18,367	18,504	18,640	18,779	18,917	19,058
8	19,303	19,478	19,655	19,832	20,011	20,192	20,374	20,559
9	20,903	21,070	21,239	21,409	21,580	21,753	21,928	22,102
10	23,027	23,211	23,396	23,583	23,771	23,961	24,152	24,345
11	27,022	27,277	27,537	27,800	28,067	28,337	28,611	28,889
12	29,021	29,276	29,535	29,797	30,063	30,332	30,604	30,879
13	30,979	31,260	31,544	31,832	32,125	32,420	32,719	33,022
14	33,322	33,646	33,974	34,306	34,642	34,982	35,327	35,676
15	36,187	36,544	36,905	37,272	37,642	38,017	38,396	38,781
16	39,204	39,596	39,994	40,397	40,804	41,216	41,635	42,057
17	42,522	42,954	43,392	43,835	44,283	44,737	45,196	45,662
18	46,174	46,649	47,130	47,616	48,110	48,609	49,115	49,626
19	50,751	51,449	52,158	52,878	53,610	54,355	55,112	55,880
20	56,670	57,458	58,259	59,073	59,901	60,731	61,568	62,408
21	63,012	63,900	64,804	65,722	66,655	67,604	68,536	69,515
22	70,346	71,349	72,370	73,408	74,462	75,498	76,586	77,692
23	78,584	79,717	80,870	82,047	83,333	84,639	85,966	87,260
24	88,367	89,749	91,155	92,584	94,035	95,511	96,965	98,488
25	100,554	102,128	103,729	105,356	107,009	108,689	110,398	112,132
26	113,627	115,405	117,214	119,052	120,920	122,819	124,747	126,709
27	128,397	130,407	132,452	134,466	136,577	138,465	140,640	142,851
28	144,422	146,689	148,993	151,195	153,571	155,988	158,223	160,715
29	162,443	164,999	167,596	170,236	172,918	175,317	178,083	180,894
30	182,880	185,761	188,602	191,489	194,420	197,491	200,517	203,687

ANNEX A-4

Second Tranche Monthly Salary Schedule for Local Government Personnel In Fourth Class Provinces and Cities, and Second Class Municipalities (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	11,952	12,039	12,136	12,234	12,333	12,432	12,532	12,633
2	12,686	12,780	12,874	12,969	13,065	13,161	13,259	13,357
3	13,474	13,575	13,675	13,777	13,880	13,981	14,085	14,189
4	14,308	14,414	14,521	14,628	14,736	14,844	14,955	15,065
5	15,186	15,300	15,413	15,527	15,641	15,757	15,875	15,991
6	16,113	16,233	16,353	16,476	16,597	16,720	16,844	16,969
7	17,094	17,219	17,347	17,476	17,604	17,735	17,866	17,999
8	18,231	18,396	18,563	18,730	18,899	19,070	19,242	19,417
9	19,742	19,899	20,059	20,220	20,381	20,545	20,709	20,874
10	21,748	21,922	22,097	22,273	22,450	22,630	22,810	22,993
11	25,520	25,762	26,007	26,256	26,507	26,763	27,022	27,284
12	27,408	27,650	27,894	28,142	28,393	28,647	28,903	29,164
13	29,258	29,523	29,792	30,064	30,340	30,619	30,901	31,187
14	31,470	31,776	32,087	32,400	32,717	33,039	33,364	33,694
15	34,177	34,513	34,855	35,201	35,550	35,905	36,263	36,627
16	37,026	37,397	37,772	38,152	38,537	38,927	39,322	39,721
17	40,160	40,568	40,981	41,399	41,823	42,252	42,685	43,125
18	43,608	44,057	44,512	44,971	45,438	45,909	46,386	46,869
19	47,932	48,590	49,260	49,940	50,632	51,335	52,050	52,776
20	53,522	54,266	55,022	55,791	56,573	57,357	58,148	58,941
21	59,511	60,350	61,203	62,070	62,952	63,848	64,728	65,653
22	66,438	67,385	68,349	69,329	70,325	71,304	72,332	73,375
23	74,218	75,288	76,377	77,489	78,703	79,937	81,190	82,412
24	83,457	84,763	86,091	87,440	88,811	90,205	91,578	93,016
25	94,968	96,455	97,966	99,503	101,064	102,651	104,264	105,902
26	107,314	108,994	110,702	112,438	114,203	115,995	117,817	119,670
27	121,264	123,162	125,094	126,996	128,989	130,773	132,827	134,915
28	136,399	138,540	140,716	142,795	145,039	147,322	149,433	151,786
29	153,418	155,832	158,285	160,778	163,311	165,577	168,190	170,844
30	172,720	175,441	178,124	180,851	183,619	186,519	189,377	192,371

ANNEX A-5

Second Tranche Monthly Salary Schedule for Local Government Personnel In Fifth Class Provinces and Cities, and Third Class Municipalities (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	11,249	11,331	11,422	11,514	11,607	11,701	11,794	11,890
2	11,940	12,028	12,117	12,206	12,297	12,387	12,479	12,571
3	12,682	12,777	12,870	12,966	13,063	13,158	13,257	13,354
4	13,466	13,566	13,667	13,767	13,870	13,971	14,075	14,179
5	14,293	14,400	14,506	14,614	14,721	14,830	14,941	15,050
6	15,166	15,278	15,391	15,506	15,621	15,736	15,853	15,970
7	16,088	16,206	16,326	16,448	16,569	16,692	16,815	16,940
8	17,158	17,314	17,471	17,628	17,787	17,948	18,110	18,274
9	18,581	18,729	18,879	19,030	19,182	19,336	19,491	19,646
10	20,469	20,632	20,797	20,962	21,130	21,298	21,468	21,640
11	24,019	24,246	24,478	24,711	24,948	25,189	25,432	25,679
12	25,796	26,023	26,254	26,486	26,722	26,962	27,203	27,448
13	27,537	27,786	28,039	28,295	28,555	28,818	29,083	29,353
14	29,619	29,907	30,199	30,494	30,793	31,095	31,402	31,712
15	32,166	32,483	32,805	33,130	33,459	33,793	34,130	34,472
16	34,848	35,197	35,550	35,908	36,270	36,637	37,009	37,384
17	37,798	38,182	38,570	38,964	39,362	39,766	40,174	40,588
18	41,043	41,466	41,894	42,326	42,765	43,208	43,658	44,112
19	45,112	45,732	46,362	47,002	47,654	48,315	48,988	49,671
20	50,374	51,074	51,786	52,510	53,246	53,983	54,727	55,474
21	56,010	56,800	57,603	58,419	59,249	60,092	60,921	61,791
22	62,530	63,422	64,329	65,251	66,188	67,110	68,077	69,059
23	69,852	70,859	71,884	72,930	74,074	75,234	76,414	77,564
24	78,548	79,777	81,026	82,297	83,586	84,898	86,191	87,545
25	89,382	90,781	92,203	93,650	95,119	96,613	98,131	99,673
26	101,002	102,582	104,190	105,824	107,485	109,172	110,886	112,630
27	114,130	115,918	117,735	119,526	121,402	123,080	125,014	126,978
28	128,375	130,390	132,438	134,395	136,507	138,656	140,642	142,858
29	144,394	146,666	148,974	151,321	153,705	155,838	158,296	160,794
30	162,560	165,121	167,646	170,213	172,818	175,547	178,238	181,055

ANNEX A-6

Second Tranche Monthly Salary Schedule for Local Government Personnel In Fourth Class Municipalities (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	10,546	10,623	10,709	10,795	10,882	10,970	11,057	11,147
2	11,194	11,276	11,360	11,444	11,528	11,613	11,699	11,786
3	11,889	11,978	12,066	12,156	12,247	12,336	12,428	12,520
4	12,625	12,719	12,813	12,907	13,003	13,098	13,196	13,293
5	13,400	13,500	13,600	13,700	13,801	13,904	14,007	14,110
6	14,218	14,324	14,429	14,537	14,645	14,753	14,862	14,972
7	15,083	15,194	15,306	15,420	15,533	15,649	15,764	15,881
8	16,086	16,232	16,379	16,526	16,676	16,826	16,979	17,132
9	17,420	17,558	17,699	17,841	17,984	18,128	18,273	18,419
10	19,190	19,343	19,497	19,652	19,809	19,967	20,126	20,288
11	22,518	22,731	22,948	23,167	23,389	23,615	23,843	24,074
12	24,184	24,397	24,613	24,831	25,052	25,277	25,503	25,733
13	25,816	26,050	26,287	26,527	26,771	27,017	27,266	27,518
14	27,768	28,038	28,312	28,589	28,868	29,152	29,439	29,730
15	30,156	30,453	30,755	31,060	31,368	31,681	31,997	32,318
16	32,670	32,997	33,329	33,664	34,004	34,347	34,696	35,048
17	35,435	35,795	36,160	36,529	36,902	37,281	37,664	38,051
18	38,478	38,874	39,275	39,680	40,092	40,508	40,929	41,355
19	42,293	42,874	43,465	44,065	44,675	45,296	45,926	46,567
20	47,225	47,882	48,549	49,228	49,918	50,609	51,307	52,007
21	52,510	53,250	54,003	54,768	55,546	56,336	57,113	57,929
22	58,622	59,458	60,308	61,173	62,051	62,915	63,822	64,743
23	65,486	66,431	67,391	68,372	69,444	70,532	71,639	72,716
24	73,639	74,791	75,962	77,153	78,362	79,592	80,804	82,073
25	83,795	85,107	86,441	87,797	89,174	90,575	91,998	93,443
26	94,689	96,171	97,679	99,210	100,767	102,349	103,956	105,591
27	106,997	108,673	110,377	112,055	113,814	115,388	117,200	119,042
28	120,352	122,241	124,161	125,996	127,976	129,990	131,852	133,929
29	135,369	137,499	139,664	141,863	144,098	146,098	148,403	150,745
30	152,400	154,801	157,169	159,575	162,017	164,576	167,098	169,739

ANNEX A-7

Second Tranche Monthly Salary Schedule for Local Government Personnel In Fifth Class Municipalities (In Pesos)

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,843	9,915	9,995	10,075	10,156	10,238	10,320	10,403
2	10,448	10,525	10,602	10,681	10,760	10,839	10,919	11,000
3	11,096	11,180	11,262	11,346	11,430	11,514	11,600	11,685
4	11,783	11,871	11,959	12,046	12,136	12,225	12,316	12,407
5	12,506	12,600	12,693	12,787	12,881	12,977	13,073	13,169
6	13,270	13,369	13,467	13,568	13,668	13,769	13,871	13,974
7	14,077	14,181	14,286	14,392	14,498	14,606	14,713	14,823
8	15,014	15,149	15,287	15,425	15,564	15,705	15,847	15,990
9	16,258	16,388	16,519	16,652	16,785	16,919	17,055	17,191
10	17,910	18,053	18,197	18,342	18,488	18,636	18,785	18,935
11	21,017	21,216	21,418	21,622	21,830	22,040	22,253	22,469
12	22,572	22,770	22,972	23,176	23,382	23,591	23,803	24,017
13	24,095	24,313	24,534	24,758	24,986	25,215	25,448	25,684
14	25,917	26,169	26,424	26,683	26,944	27,208	27,476	27,748
15	28,146	28,423	28,704	28,989	29,277	29,569	29,863	30,163
16	30,492	30,797	31,107	31,420	31,737	32,057	32,383	32,711
17	33,073	33,409	33,749	34,094	34,442	34,796	35,153	35,515
18	35,913	36,282	36,657	37,035	37,419	37,807	38,200	38,598
19	39,473	40,016	40,567	41,127	41,697	42,276	42,865	43,462
20	44,077	44,689	45,312	45,946	46,590	47,235	47,886	48,539
21	49,009	49,700	50,403	51,117	51,843	52,581	53,306	54,067
22	54,713	55,494	56,288	57,095	57,915	58,721	59,567	60,427
23	61,121	62,002	62,899	63,814	64,814	65,830	66,863	67,869
24	68,730	69,805	70,898	72,010	73,138	74,286	75,417	76,602
25	78,209	79,433	80,678	81,943	83,229	84,536	85,865	87,214
26	88,376	89,760	91,167	92,596	94,049	95,526	97,026	98,552
27	99,864	101,428	103,018	104,585	106,226	107,695	109,387	111,106
28	112,328	114,092	115,884	117,596	119,444	121,324	123,062	125,000
29	126,344	128,332	130,353	132,406	134,492	136,358	138,509	140,695
30	142,240	144,481	146,691	148,936	151,215	153,604	155,958	158,423

For Regular Positions

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to Local Budget Circular No. ____ dated _____, implementing Executive Order No. 64 dated August 2, 2024, your salary is hereby adjusted effective _____, as follows:

1. Adjusted monthly basic salary effective __, under the new Salary Schedule; SG ____, Step ____

P _____
2. Actual monthly basic salary as of _____ SG ____, Step ____

P _____
3. Monthly salary adjustment effective _____

P _____

It is understood that this salary adjustment is subject to the 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 Casuals/Contractuals

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to Local Budget Circular No. ____ dated _____, implementing Executive Order No. 64 dated August 2, 2024, 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 ____;
SG ____

P _____
3. Monthly salary/daily wage adjustment
effective _____

P _____

It is understood that this salary/daily wage adjustment is subject to the 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 Examples

I. Salary Schedule

Income Classification : 2nd Class Municipality
(DOF DO No. 074.2024)

Position Title : Municipal Government Department Head I
Salary Grade (SG) : SG-24

The LGU may adopt either:

- (i) **Annex A-1** (Item 5.1.1)

Monthly Salary (SG-24) = ₱98,185

- (ii) Salary Schedule corresponding to the income class or **Annex A-4**
(Item 5.1.2)

Monthly Salary (SG-24) = ₱83,457

- (iii) Salary Schedule lower than **Annex A-1** (Item 5.1.3.a)

Annex A-2

Monthly Salary (SG-24) = ₱93,276

or **Annex A-3**

Monthly Salary (SG-24) = ₱88,367

- (iv) Formulate lower rates of **Annex A-4** (Item 5.1.3.b)

Example: 90% of **Annex A-4**

Monthly Salary (SG-24) = ₱75,111

II. Implementation Schedule

Municipality A implemented the First Tranche Salary Schedule of EO No. 64 effective September 1, 2024.

The Second Tranche Salary Schedule under the herein Circular may be implemented by the Municipal Government **not earlier than September 1, 2025**.

III. Salary Rules

Incumbent Mayor Jose B. Trinidad won in the last local elections and will serve his second term of office (2025-2028).

Since Municipality A implemented the First Tranche Salary Schedule effective September 1, 2024, the Second Tranche Salary Schedule shall be implemented **not** earlier than September 1, 2025.

Municipality A remains to be classified as a 1st Class Municipality.

Position Title : Municipal Mayor I
Salary Grade (SG) : SG-27

➤ First Tranche

Salary: ₱123,204 (SG-27, Step 1 of **Annex A-3**, LBC No. 160)
(September 2024 to June 2025)

Incumbent Mayor Trinidad is entitled to one (1) step increment due to length of service after being reelected to the same post.¹¹

Salary: ₱125,215 (SG-27, Step 2 of **Annex A-3**, LBC No. 160)
(effective not earlier than July 2025)

➤ Second Tranche

Adjusted Salary: ₱130,407 (SG-27, Step 2 of **Annex A-3** of herein Circular)
(effective not earlier than September 2025)

IV: Salary Rules

In accordance with the principle of non-diminution of pay, Ms. Portia Bentli continues to receive the salary she received prior to the LGU's reorganization efforts in her new post as Administrative Assistant (ADAS) IV, SG-11.

Ms. Bentli is currently assigned at the Office of the Administrator in a 1st Class Municipality.

➤ First Tranche

Salary: ₱27,890

➤ Second Tranche

Adjusted Salary: ₱28,067 (SG-11, Step 5 of **Annex A-3** of herein Circular)

Her present salary of ₱27,890 is in between Step 4 (₱27,800) and Step 5 (₱28,067), SG-11 of **Annex A-3** of herein Circular.

¹¹ CSC-DBM Joint Circular No. 01, S. 2016

V. Salary of a Public Health Worker

Ms. Winifreda M. Zuñiga is appointed as Medical Officer III, SG-21 in a 1st Class Municipality.

After a thorough assessment of the Municipal Government's financial capacity, the *Sangguniang Bayan* may adopt either of the following options for the Second Tranche implementation of EO No. 64:

- (i) SG-21, **Annex A-1** of herein Circular

Salary: ₱70,013

- (ii) Modified Salary Schedule

For non-PHWs, Municipality A will be adopting 90% of **Annex A-3**.

For PHWs: 90% of **Annex A-1**

SG-21, 90% of **Annex A-1** of herein Circular

Salary: ₱63,012