



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Manila

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DEPARTMENT MEMORANDUM)

CIRCULAR NO.)
Series of 2023)

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FOR / TO : UNDERSECRETARIES
ASSISTANT SECRETARIES
REGIONAL DIRECTORS
BUREAU DIRECTORS
SERVICE DIRECTORS
HEADS OF UPMOs
DISTRICT ENGINEERS
HEADS OF ATTACHED AGENCIES
OTHERS CONCERNED
This Department

For information and guidance, attached is a copy of DBM National Budget Circular No. 591 dated January 10, 2023 signed by Secretary Amenah F. Pangandaman, with the subject: **"Implementation of the Fourth Tranche of the Modified Salary Schedule for Civilian Personnel in the National Government Pursuant to Republic Act (RA) No. 11466."**

A copy of the said National Budget Circular may also be downloaded from the DPWH website: <http://dpwhweb>. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.

For dissemination to all concerned.


Atty. MICHAEL S. VILAFRANCA, CESO III
Officer-in-Charge
Office of the Assistant Secretary for Support Services

Encl: DBM National Budget Circular No. 591 dated 10 January 2023

cc: Office of the Secretary

10.1.4 JVL/CDP/GME/VGV



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT



NATIONAL BUDGET CIRCULAR

No. 591
January 10, 2023

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 Fourth 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 fourth 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 Fourth Tranche of the Modified Salary Schedule for Civilian Personnel Effective January 1, 2023

The new salary rates shall be in accordance with the Fourth 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, 2022, 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. 2022-2³ dated April 5, 2022, and additions/modifications thereto.
- 5.1.2 If the actual monthly basic salary of an incumbent as of December 31, 2022 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, 2022 exceeds that for Step 8 of the salary grade allocation of the position:
 - 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".

³ Index of Occupational Services, Occupational Groups, Classes and Salary Grades, CY 2022 Edition

5.1.3.2 The employee shall not be entitled to salary increase if the actual salary as of December 31, 2022 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, 2022 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 Fourth Tranche of the Modified Salary Schedule in GOCCs Covered by the DBM

6.1 The implementation of the Fourth 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, 2023, 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, 2022 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. 11936 or the FY 2023 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 2023 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 2023 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, 2023.


AMENAH F. PANGANDAMAN
Secretary



ANNEX "A"

**Fourth Tranche Monthly Salary Schedule for Civilian Personnel
of the National Government
Effective January 1, 2023
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	13,000	13,109	13,219	13,329	13,441	13,553	13,666	13,780
2	13,819	13,925	14,032	14,140	14,248	14,357	14,468	14,578
3	14,678	14,792	14,905	15,020	15,136	15,251	15,369	15,486
4	15,586	15,706	15,827	15,948	16,071	16,193	16,318	16,443
5	16,543	16,671	16,799	16,928	17,057	17,189	17,321	17,453
6	17,553	17,688	17,824	17,962	18,100	18,238	18,379	18,520
7	18,620	18,763	18,907	19,053	19,198	19,346	19,494	19,644
8	19,744	19,923	20,104	20,285	20,468	20,653	20,840	21,029
9	21,211	21,388	21,567	21,747	21,929	22,112	22,297	22,483
10	23,176	23,370	23,565	23,762	23,961	24,161	24,363	24,567
11	27,000	27,284	27,573	27,865	28,161	28,462	28,766	29,075
12	29,165	29,449	29,737	30,028	30,323	30,622	30,924	31,230
13	31,320	31,633	31,949	32,269	32,594	32,922	33,254	33,591
14	33,843	34,187	34,535	34,888	35,244	35,605	35,971	36,341
15	36,619	36,997	37,380	37,768	38,160	38,557	38,959	39,367
16	39,672	40,088	40,509	40,935	41,367	41,804	42,247	42,694
17	43,030	43,488	43,951	44,420	44,895	45,376	45,862	46,355
18	46,725	47,228	47,738	48,253	48,776	49,305	49,840	50,382
19	51,357	52,096	52,847	53,610	54,386	55,174	55,976	56,790
20	57,347	58,181	59,030	59,892	60,769	61,660	62,565	63,485
21	63,997	64,940	65,899	66,873	67,864	68,870	69,893	70,933
22	71,511	72,577	73,661	74,762	75,881	77,019	78,175	79,349
23	80,003	81,207	82,432	83,683	85,049	86,437	87,847	89,281
24	90,078	91,548	93,043	94,562	96,105	97,674	99,268	100,888
25	102,690	104,366	106,069	107,800	109,560	111,348	113,166	115,012
26	116,040	117,933	119,858	121,814	123,803	125,823	127,876	129,964
27	131,124	133,264	135,440	137,650	139,897	142,180	144,501	146,859
28	148,171	150,589	153,047	155,545	158,083	160,664	163,286	165,951
29	167,432	170,166	172,943	175,766	178,634	181,550	184,513	187,525
30	189,199	192,286	195,425	198,615	201,856	205,151	208,499	211,902
31	278,434	283,872	289,416	295,069	300,833	306,708	312,699	318,806
32	331,954	338,649	345,478	352,445	359,553	366,804	374,202	381,748
33	419,144	431,718						

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, 2023, as follows:

1. Adjusted monthly basic salary effective January 1, 2023, under the new Salary Schedule; SG _____, Step _____ ₱ _____
2. Actual monthly basic salary as of December 31, 2022; SG _____, Step _____ _____
3. Monthly salary adjustment effective January 1, 2023 (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 _____, ₱ _____
2. Actual monthly basic salary/daily wage rate as of December 31, 2022; SG _____ ₱ _____
3. Monthly salary adjustment/Daily wage adjustment effective _____ (1-2) ₱ _____

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: _____

Copy Furnished: GSIS