



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



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DEPARTMENT MEMORANDUM)

CIRCULAR NO. 09)
Series of 2025)

1/24/2025

FOR / TO : SENIOR UNDERSECRETARY
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. 597** dated January 20, 2025 signed by Secretary Amenah F. Pangandaman, with the subject: **"IMPLEMENTATION OF THE SECOND TRANCHE OF THE UPDATED SALARY SCHEDULE FOR CIVILIAN GOVERNMENT PERSONNEL UNDER EXECUTIVE ORDER (EO) NO. 64, S. 2024"**.

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. VILLAFRANCA, CESO III
Assistant Secretary for Support Services

Encl: DBM National Budget Circular No. 597 dated 20 January 2025

cc: Office of the Secretary

10.1.4 GME/VGV



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT

NATIONAL BUDGET CIRCULAR

No. 597
January 20, 2025

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 Second Tranche of the Updated Salary Schedule for Civilian Government Personnel Under Executive Order (EO) No. 64, s. 2024

1.0 Background

EO No. 64, s. 2024¹ provides an updated Salary Schedule for Civilian Government Personnel to ensure an effective, competitive, and sustainable Compensation and Position Classification System (CPCS) that attracts, retains, and motivates competent and dedicated civil servants.

As stipulated under the EO, the updated Salary Schedule for Civilian Personnel shall be implemented in four (4) tranches, from Fiscal Year (FY) 2024 to FY 2027.

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 under EO No. 64, s. 2024.

3.0 Coverage

This Circular applies to all civilian government personnel, now existing or hereafter created in the Executive, Legislative, and Judicial Branches, the

¹ Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and For Other Purposes

Constitutional Commissions and other Constitutional Offices, SUCs, and GOCCs not covered by Republic Act (RA) No. 10149² and EO No. 150, s. 2021³, regardless of appointment status, whether regular, casual, or contractual; appointive or elective; and on a full-time or part-time basis.

4.0 Exclusions

This Circular shall not apply to the following:

- 4.1 Military and uniformed personnel;
- 4.2 Government agencies that are exempt from RA No. 6758⁴, as amended, as expressly provided in their respective enabling laws or charters, and are actually implementing their respective CPCS approved by the President of the Philippines;
- 4.3 GOCCs under RA No. 10149 and EO No. 150, which shall be covered by a CPCS established by the Governance Commission for GOCCs (GCG) and approved by the President of the Philippines; and
- 4.4 Individuals engaged without employer-employee relationship and funded from non-Personnel Services (PS) appropriations/budgets, as follows:
 - 4.4.1 Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
 - 4.4.2 Laborers engaged through job contracts (*pakyaw*) and those paid on piecework basis;
 - 4.4.3 Student workers and apprentices; and
 - 4.4.4 Those whose services are engaged through job orders, contracts of service, or others similarly situated.

5.0 Second Tranche Implementation of the Updated Salary Schedule for Civilian Personnel Effective January 1, 2025

The new salary rates that is effective on January 1, 2025 pursuant to EO No. 64, s. 2024 shall be in accordance with the Second Tranche Monthly Salary Schedule for Civilian Personnel, which is attached as **Annex A** to this Circular.

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

³ Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 (s. 2016), and For Other Purposes

⁴ An Act Prescribing a Revised Compensation and Position Classification System in the Government and For Other Purposes

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, 2024, 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 No. 2022-2⁵, and additions/modifications thereto.
- 5.1.2 If the actual monthly basic salary of an incumbent as of December 31, 2024 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, 2024 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**.
- 5.1.3.2 The employee shall not be entitled to salary increase if the actual salary as of December 31, 2024 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 the 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 workdays per month.
- 5.1.6 Compulsory retirees whose services have been extended beyond December 31, 2024 shall be entitled to salary increase based on Items 5.1.1 to 5.1.3 of this Circular, whichever is applicable.

⁵ Index of Occupational Services, Occupational Groups, Classes and Salary Grades, CY 2022 Edition (April 5, 2022)

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, in accordance with existing laws, rules, and regulations.

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

6.0 Implementation of the Second Tranche Salary Schedule in GOCCs under the coverage of the Department of Budget and Management (DBM)

- 6.1 The implementation of the Second Tranche Monthly Salary Schedule in GOCCs covered by the DBM shall be determined by their respective governing boards, provided it shall not be earlier than January 1, 2025.
- 6.2 GOCCs which do not have sufficient funds to fully implement the Salary Schedule in **Annex A** may adopt their own salary schedules at lower rates but at a uniform percentage of the salaries in **Annex A**.
- 6.3 When developing such salary schedules, GOCCs shall ensure that they can fund on a sustainable basis the salary adjustments, including the government counterparts to the Retirement and Life Insurance Premiums (RLIP), Pag-IBIG Contributions, PhilHealth Contributions, and the Employees Compensation Insurance Premiums.
- 6.4 The relevant rules in this Circular shall apply when adjusting the salaries of incumbent personnel, effective not earlier than January 1, 2025.

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 the 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.

On the other hand, the HRMO/AO is no longer required to prepare NOSAs for personnel whose actual monthly salaries as of December 31, 2024 exceed the rates corresponding to Step 8 of the salary grade allocations of their positions in **Annex A**.

- 7.2 When using digital/electronic signatures for NOSAs, agencies must follow the guidelines for the purpose, as provided under DBM Circular Letter No. 2024-7⁶.

⁶ Guidelines on the Use of Digital and Electronic Signature for the Notice of Step Increment (NOSI) and Notice of Salary Adjustment (NOSA) (February 27, 2024)

- 7.3 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if they are members thereof.
- 7.4 The salary adjustment under this Circular shall be subject to the usual accounting and auditing laws, 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 for the salary adjustment of civilian government personnel in FY 2025 shall be charged against the Miscellaneous Personnel Benefits Fund (MPBF) and any available appropriations under RA No. 12116 or the FY 2025 General Appropriations Act (GAA), subject to budgeting, accounting, and auditing laws, rules, and regulations.
- 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 its FY 2025 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 DBM shall release to the agencies concerned the Special Allotment Release Orders (SAROs) to implement the second tranche of the salary adjustment prescribed under EO No. 64, s. 2024, to wit:
 - 9.1.1 For the full year requirements of the salary adjustment, based on data from the Government Manpower Information System, chargeable against the MPBF and any available appropriations under the FY 2025 GAA; and
 - 9.1.2 For the related fixed expenditures of the regular personnel, i.e., RLIP requirements, chargeable against automatic appropriations.

- 9.1.3 The SARO shall be released directly to the operating units of the agencies concerned based on the number of filled positions as of December 31, 2024.
- 9.2 The DBM shall issue the corresponding Notices of Cash Allocation with monthly breakdown, to cover the total annual requirement, i.e., January 2025 to December 2025, for this salary adjustment and related fixed expenditures, consistent with the applicable guidelines.
- 9.3 Any additional requirement for the newly-filled positions after the December 31, 2024 cut-off date may be included in the agency's request for the release of funds for PS deficiency, subject to the submission of the pertinent documents required for the processing of PS deficiency, as well as the following information:
 - 9.3.1 Item numbers, positions and salary grades, names of incumbents, salaries, and dates of assumption to duty; and
 - 9.3.2 Latest Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances, highlighting the amount of allotments received and corresponding obligations and disbursements incurred for salary adjustments.

10.0 Exempt Entities

Consistent with Section 8 of EO No. 64, 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 approved 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 EO No. 150; and *(c)* those authorized by law and have actually implemented 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 the 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, 2025.


AMENAH F. PANGANDAMAN
Secretary



ANNEX A

**Second Tranche Monthly Salary Schedule
for Civilian Personnel of the National Government
Effective January 1, 2025
(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	76,181	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
31	293,191	298,773	304,464	310,119	315,883	321,846	327,895	334,059
32	347,888	354,743	361,736	368,694	375,969	383,391	390,963	398,686
33	438,844	451,713						

For Regular Positions

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to National Budget Circular No. ____ dated _____, implementing Executive Order No. 64 dated August 2, 2024, your salary is hereby adjusted effective January 1, 2025, as follows:

1. Adjusted monthly basic salary effective January 1, 2025, under the new Salary Schedule; SG ____, Step ____ ₱ _____
2. Actual monthly basic salary as of December 31, 2024; SG ____, Step ____ _____
3. Monthly salary adjustment effective January 1, 2025 (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 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 December 31, 2024;
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: _____

Copy Furnished: GSIS

Illustrative Examples

Illustrative Example A

Ms. Maria Joy Fabregas was appointed as Planning Officer II, Salary Grade (SG)-15 effective April 23, 2024.

Her salary shall be adjusted as follows:

Position Title, SG	Salary as of December 31, 2024	Adjusted Salary effective January 1, 2025
Planning Officer II, SG-15	₱38,413 (SG-15, Step 1)	₱40,208 (SG-15, Step 1)

Illustrative Example B

Mr. Woody Aquino was appointed as Budget and Management Specialist II, SG-16 on December 1, 2021. He received a one (1) step increment due to length of service effective December 1, 2024.

His salary shall be adjusted as follows:

Position Title, SG	Salary as of December 31, 2024	Adjusted Salary effective January 1, 2025
Budget and Management Specialist II, SG-16	₱42,052 (SG-16, Step 2)	₱43,996 (SG-16, Step 2)

Illustrative Example C

Due to the exigency of service, Ms. Sofia Cortez was reassigned from the Budget Section to the Records Section, with a corresponding change in her position and functions from Administrative Officer IV, SG-15 (*Budget Officer II*) to Administrative Officer III, SG-14 (*Records Officer II*), effective June 1, 2024.

➤ Current Salary (*Annex A of NBC No. 594*)

Applying the salary rules under DBM Budget Circular No. 2019-1⁷, Ms. Cortez continued to receive a monthly salary of ₱38,413 (SG-15, Step 1) following said reassignment.

➤ Updated Salary (*Annex A of the herein Circular*)

Her present salary falls between Step 4 (₱38,118) and Step 5 (₱38,491) of SG-14 of the Second Tranche Salary Schedule under *Annex A* hereof.

⁷ Salary Rules and Regulations Applicable to Human Resource, Position Classification and Staffing Actions (February 12, 2019)

Hence, starting January 1, 2025, her salary shall be adjusted as follows:

Position Title, SG	Salary as of December 31, 2024	Adjusted Salary effective January 1, 2025
Administrative Officer III, SG-14	₱38,413 (SG-15, Step 1)	₱38,491 (SG-14, Step 5)

Illustrative Example D

Prior to reorganization, Mr. Lee Bonsubre was occupying the position of Senior Administrative Assistant I (*Mechanical Shop General Foreman*), SG-13 with a monthly basic salary of ₱34,144 [Step 5] as of February 1, 2024.

Due to the merging and abolition of certain units in the agency, Mr. Bonsubre was reappointed to an Administrative Assistant III (*Motor Pool Supervisor II*), SG-9 item, effective December 1, 2024. Mr. Bonsubre's salary of ₱34,144 remains unchanged under the non-diminution of pay principle.

Mr. Bonsubre will no longer be entitled to a salary increase since his present salary of ₱34,144 is already higher than the rate provided for SG-9, Step 8 (₱24,558) of the Salary Schedule under *Annex A* hereof.