



# Updates on Compensation and Allowances in the Government

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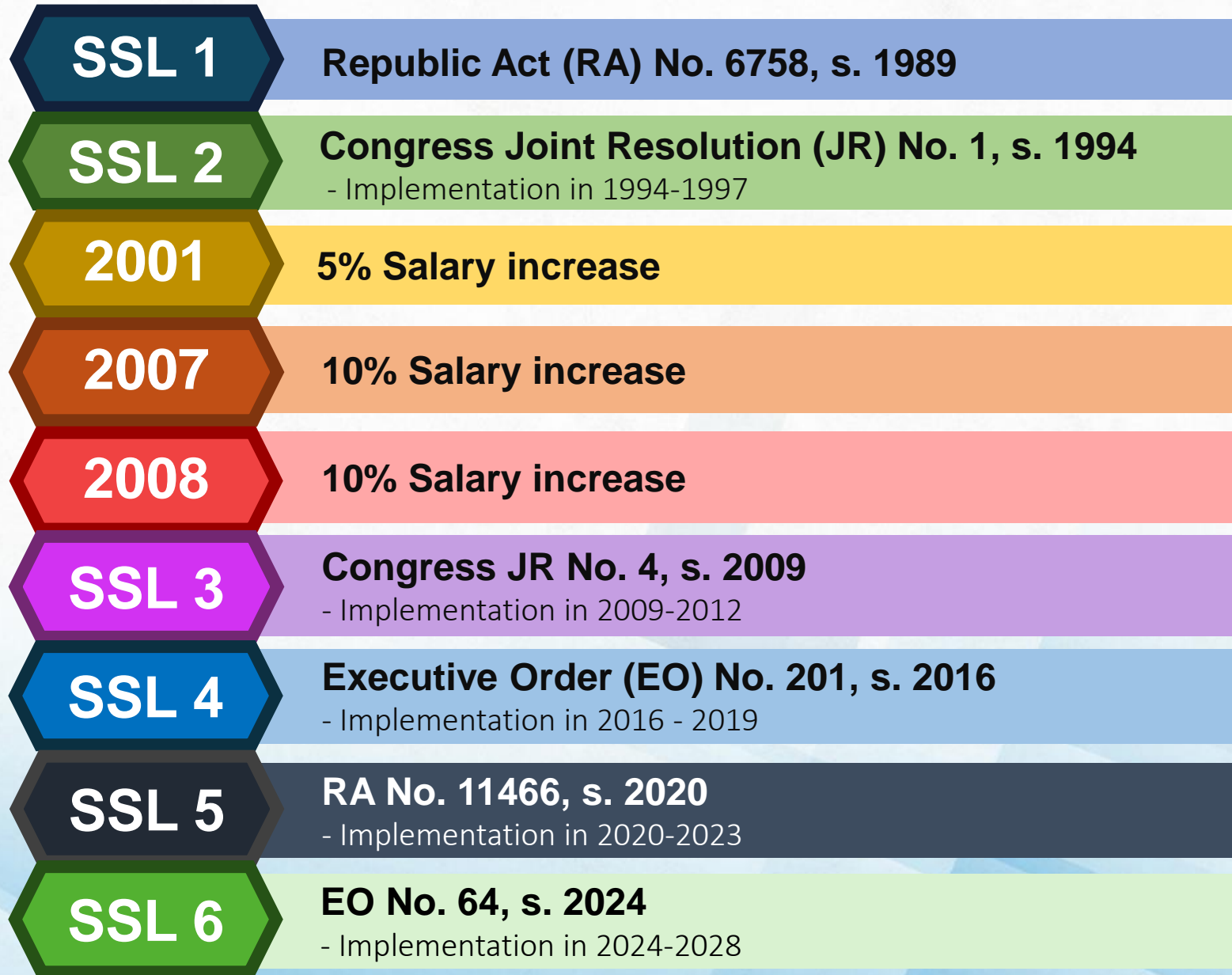
# OUTLINE OF THE PRESENTATION

- 1 ——— **Compensation Standards and Guidelines**
- 2 ——— **Results of the Compensation Study**
- 3 ——— **Updates on Standard Allowances and Benefits**
  - A. Uniform/Clothing Allowance
  - B. Medical Allowance
- 4 ——— **Updates on Specific-Purpose Allowances and Benefits**
  - A. Representation and Travel Allowances
  - B. Night Shift Differential Pay
- 5 ——— **Updates on Incentives**
  - A. Collective Negotiation Agreement Incentive
  - B. Performance-Based Bonus
- 5 ——— **Other Matters**

# *1* Compensation Standards and Guidelines



# Salary Increase since 1989





# SSL Governing Principles

- All government personnel shall be paid just and equitable compensation in accordance with the principle of **equal pay for work equal value**. Differences in pay shall be based upon substantive differences in duties, responsibilities, accountabilities, and qualification requirements of the positions.
- The compensation of all civilian personnel shall generally be **competitive with those in the private sector** doing comparable work in order to attract, retain and motivate a corps of competent civil servants.
- The compensation for all civilian personnel shall be **standardized and rationalized** across all government agencies to create an enabling environment that will promote social justice, integrity, efficiency, productivity, accountability and excellence in the civil service.

# SSL Governing Principles

- A **performance-based incentive scheme** which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well-performing organizations.
- The compensation scheme shall **take into consideration the financial capability of the government** and shall give due regard to the **efficient allocation of funds for personnel services**, which shall be maintained at a realistic level in proportion to the overall expenditure of the government.

# Total Compensation Framework (TCF) under JR No. 4, s. 2009

Under the TCF, the total payment to an employee for services rendered shall be composed of the following:

- a. **Basic Salaries, including Step Increments;**
- b. **Standard Allowances and Benefits;**
- c. **Specific Purpose Allowances and Benefits; and**
- d. **Incentives**

The TCF **excluded** all indirect compensation under existing laws such as: life and retirement insurance benefits; employee compensation insurance; health insurance (PhilHealth); Pag-IBIG Funds benefits; and Provident Fund benefits.

# 2 Results of Compensation Study



Republic of the Philippines  
Department of Budget and Management



# Results of the Competitive Salary Analysis

Population Category	SSL IV vs. SSL V % Increase	Market Comparative Ratio	
		2019 Target (SSL V)	2023 Actual (Based on Study)
<b>Sub-Professional</b> (SG-1 to SG-10)	18.2%	98.7%	95.3%
<b>Professional</b> (SG-11 to SG-24)	16.8%	97.5%	81.0%
<b>Managerial</b> (SG-25 to SG-28)	8.0%	97.5%	71.3%
<b>Executives</b> (SG-29 to SG-31)	8.0%	43.3%	35.0%
<b>Top Leaders</b> (SG-32 to SG-33)	8.0%	31.0%	42.0%

- ✓ Gov't target at least 90% Market Comparative Ratio
- ✓ Competitive Salaries for SG 1 - 24
- ✗ 2023 Actual Market Comparative Ratio fell short of 2019 targets

# Salient Features of EO No. 64, s. 2024



Republic of the Philippines  
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# What are the Factors Considered in Developing the Salary Structure for SSL VI?



Increase in Pag-IBIG Contribution



Increase in PhilHealth Contribution



Effect of Wage Order No. NCR-25



Projected Inflation



Poverty Threshold Index (PTI)



# What will be the Compensation Adjustment Strategy for SSL VI?

The updated salary schedule under SSL VI conforms with the following:



**Salaries must be competitive with the private sector**



**Value of government employee compensation is maintained over time**



**Differences in pay must be based on differences in duties and qualifications**



**Funding cost must be kept within the available fiscal space**



# Who are covered under SSL VI?

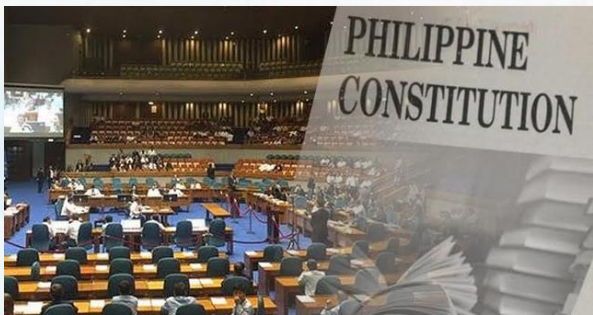
The updated Salary Schedule applies to **all civilian government personnel**, whether **regular, contractual or casual, appointive or elective, and on full-time or part-time basis** in the following:



**Executive,  
Legislative, and  
Judicial Branches**



**Government-Owned  
or -Controlled  
Corporations (GOCCs)  
not covered by RA  
No. 10149 and EO No.  
150**



**Constitutional  
Commissions and  
other Constitutional  
Offices**



**Local Government  
Units (LGUs)**

# Who are covered under SSL VI?

The salary increase authorized under EO No. 64 shall **not apply** to:



**Military and Uniformed Personnel**



**Government agencies that are exempt from RA No. 6758**, as amended, as expressly provided in their respective enabling law or charter, and are actually implementing their respective CPCS approved by the President of the Philippines



**GOCCs under RA No. 10149 and EO No. 150**, which shall be covered by a CPCS established by the Governance Commission for GOCCs and approved by the President of the Philippines



**Individuals engaged without employer-employee relationship and funded from non-Personnel Services (PS) appropriations/budgets** such as contract of service/job order workers and consultants

# When will SSL VI be implemented for NGAs?

## For NGAs:

The updated Salary Schedule shall be **implemented in four (4) tranches**, as follows:

**First tranche beginning on January 1, 2024**

**Second tranche beginning on January 1,  
2025**

**Third tranche beginning on January 1,  
2026**

**Fourth tranche beginning on January 1,  
2027**



# When will SSL VI be implemented for NGAs?

## For covered GOCCs and LGUs:

- The implementation period shall **not be less than four (4) years**, depending on their financial capabilities, provided, that each tranche shall start no earlier than the aforementioned dates for NGAs.
- GOCCs and LGUs which **do not have adequate or sufficient funds shall partially implement the Salary Schedule** authorized herein. In case of partial implementation, the same shall be at a uniform percentage across all positions for every GOCC/LGU.



# What is the average salary increase for Tranche 1 under SSL VI?

Population Category	SSL V Tranche (RA No. 11466)		SSL VI Tranche 1	
	Average (%) Increase	Market Share as a result of 2024 Study	Average (%) Increase	Market Share
<b>Sub-Professional</b> (SG-1 to SG-10)	<b>4.3%</b>	<b>95.3%</b>	<b>4.20%</b>	<b>98.78%</b>
<b>Professional</b> (SG-11 to SG-24)	<b>4%</b>	<b>81.0%</b>	<b>4.88%</b>	<b>86.60%</b>
<b>Managerial</b> (SG-25 to SG-28)	<b>2%</b>	<b>71.3%</b>	<b>4.34%</b>	<b>76.53%</b>
<b>Executives</b> (SG-29 to SG-31)	<b>2%</b>	<b>35.0%</b>	<b>3.42%</b>	<b>35.92%</b>
<b>Top Leaders</b> (SG-32 to SG-33)	<b>2%</b>	<b>42.0%</b>	<b>2.38%</b>	<b>44.25%</b>
<b>AVERAGE</b> (SG-1 to SG-31)	<b>3.6%</b>	<b>79.29%</b>	<b>4.41%</b>	<b>84.33%</b>
<b>AVERAGE</b> (SG-1 to SG-33)	<b>3.5%</b>	<b>78.00%</b>	<b>4.33%</b>	<b>83.07%</b>

- ✓ **Average salary increase at 4.41%**
- ✓ **Highly Competitive Salaries for Sub-Professional category**
- ✓ **Retroactive implementation of first tranche effective January 1, 2024**

# What is the average salary increase for all tranches? How does it differ from SSL V?

Population Category	Average (%) Increase of SSL	
	SSL IV vs. SSL V (Duterte Administration)	SSL V vs. SSL VI (PBBM Administration)
<b>Sub-Professional</b> (SG-1 to SG-10)	18.2%	17.6%
<b>Professional</b> (SG-11 to SG-24)	16.8%	19.9%
<b>Managerial</b> (SG-25 to SG-28)	8.0%	17.5%
<b>Executives</b> (SG-29 to SG-31)	8.0%	13.6%
<b>Top Leaders</b> (SG-32 to SG-33)	8.0%	9.5%
<b>AVERAGE</b> (SG-1 to SG-31)	<b>15.2%</b>	<b>18.2%</b>
<b>AVERAGE</b> (SG-1 to SG-33)	14.8%	17.9%

- ✓ **Average salary increase from all tranches at 18.2%**
- ✓ **Prioritized salary increase for SG 1–28**
- ✓ **Salaries will remain competitive until Tranche 4**

# When will Tranche 1 be implemented? Is it retroactive?

The first tranche will have retroactive application, subject to the following conditions:

## For NGAs

The 1st tranche of implementation of the updated Salary Schedule for civilian personnel shall be effective January 1, 2024.

## For GOCCs

The retroactive application of the 1st tranche shall be subject to their capacity to pay and in compliance with other requirements under existing laws, provided, that the initial implementation shall not be earlier than January 1, 2024.

## For LGUs

The implementation of the 1st tranche shall be subject to the pertinent provisions of EO No. 64 and RA No. 7160.

# How will the Salary Adjustment apply for Personnel of LGUs?

The updated Salary Schedule may likewise be granted to personnel of LGUs, subject to the following:



**Authorization from their respective Sanggunian** as provided under Sections 447(a), 458(a), and 468(a) of RA No. 7160 or the "Local Government Code of 1991", as amended



**Compliance with the PS limitation in the LGU budget** under Sections 325 and 331 of RA No. 7160



## How will the Salary Adjustment apply for Personnel of LGUs?

The rates of pay in LGUs, which shall be determined on the basis of the **class and financial capability** of each LGU, shall be at the following percentages of the rates in the Salary Schedule:

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

Note: Subject to any modification that will be made pursuant to RA No. 11964 or the "Automatic Income Classification of Local Government Units Act," and its Implementing Rules and Regulations (IRR).

# How will the Salary Adjustment apply for Personnel of LGUs?

LGUs **may fully adopt the Salary Schedule** in Section 3 of the EO notwithstanding the aforementioned ceilings and subject to the following:



**Compliance with the PS limitation and budgetary authorization requirements** of RA No. 7160



**Guidelines to be issued by the DBM** pursuant to Section 7(d) of RA No. 11964 and its IRR

\*Note: Provided that the salary schedule adopted shall be uniformly applied to all positions in the said LGUs

Meanwhile, **the basic pay of barangay personnel shall be in the form of honoraria** consistent with RA No. 7160, which shall be at the same percentage of the Salary Schedule adopted by the LGU.

## Is SSL VI applicable to all government officials?

Salaries authorized under EO No. 64 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.

# What is the Funding Source for SSL VI Tranche 1 and 2?

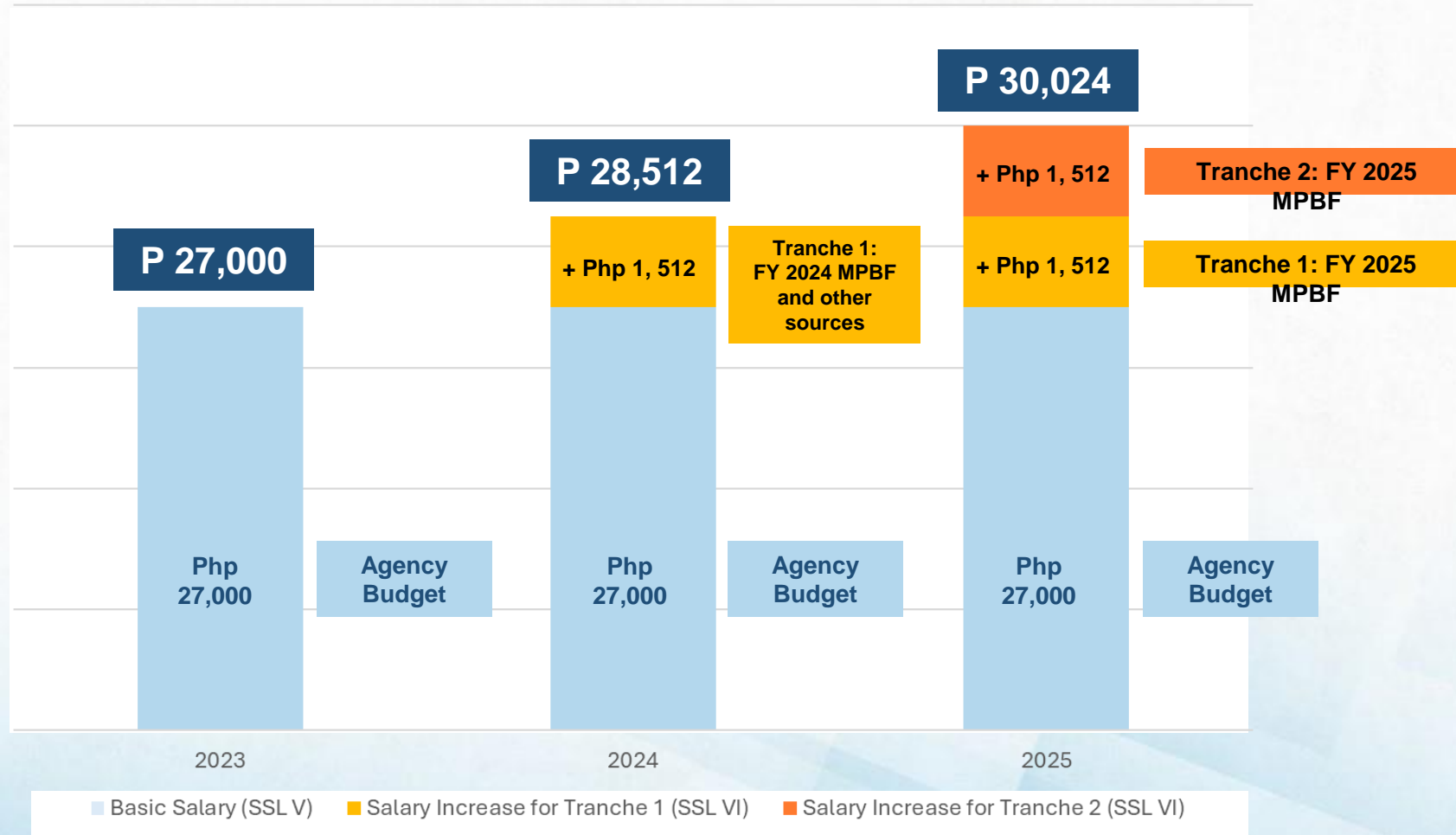
Agency Budget (FY 2024 GAA)	Funding Source of Salary Increase (MPBF)
SSL V, 4 <sup>th</sup> Tranche Rates	Additional requirement for the implementation of SSL VI, 1 <sup>st</sup> Tranche effective January 1, 2024
Agency Budget (FY 2025 NEP)	Funding Source of Salary Increase (MPBF)
SSL V, 4 <sup>th</sup> Tranche Rates	Additional requirement for the implementation of 1 <sup>st</sup> Tranche and 2 <sup>nd</sup> Tranche of SSL VI



# Updated Salary Rates for Select Positions



# How much is the Salary Increase for Teacher I (SG-11) for Tranche 1 and 2?



# How much is the Salary Increase for Teacher I (SG-11) in all tranches?

**Salary Grade: 11 (Step 1)**  
**Sample Position: Teacher I**

2024 (1 <sup>st</sup> Tranche)			2025 (2 <sup>nd</sup> Tranche)			2026 (3 <sup>rd</sup> Tranche)			2027 (4 <sup>th</sup> Tranche)		
Salary	Increase (P)	%	Salary	Increase (P)	%	Salary	Increase (P)	%	Salary	Increase (P)	%
28,512	1,512	5.60%	30,024	1,512	5.30%	31,705	1,681	5.60%	33,387	1,682	5.30%

# How much is the Salary Increase for Nurse I (SG-15) in all tranches?

## Salary Grade: 15 (Step 1)

Sample Position: Nurse I

2024 (1 <sup>st</sup> Tranche)			2025 (2 <sup>nd</sup> Tranche)			2026 (3 <sup>rd</sup> Tranche)			2027 (4 <sup>th</sup> Tranche)		
Salary	Increase (P)	%	Salary	Increase (P)	%	Salary	Increase (P)	%	Salary	Increase (P)	%
38,413	1,794	4.90%	40,208	1,795	4.67%	42,178	1,970	4.90%	44,148	1,970	4.67%



# First Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	13,530	13,633	13,748	13,862	13,979	14,095	14,213	14,331
2	14,372	14,482	14,593	14,706	14,818	14,931	15,047	15,161
3	15,265	15,384	15,501	15,621	15,741	15,861	15,984	16,105
4	16,209	16,334	16,460	16,586	16,714	16,841	16,971	17,101
5	17,205	17,338	17,471	17,605	17,739	17,877	18,014	18,151
6	18,255	18,396	18,537	18,680	18,824	18,968	19,114	19,261
7	19,365	19,514	19,663	19,815	19,966	20,120	20,274	20,430
8	20,534	20,720	20,908	21,096	21,287	21,479	21,674	21,870
9	22,219	22,404	22,591	22,780	22,971	23,162	23,356	23,551
10	24,381	24,585	24,790	24,998	25,207	25,417	25,630	25,844
11	28,512	28,796	29,085	29,377	29,673	29,974	30,278	30,587
12	30,705	30,989	31,277	31,568	31,863	32,162	32,464	32,770
13	32,870	33,183	33,499	33,819	34,144	34,472	34,804	35,141
14	35,434	35,794	36,158	36,528	36,900	37,278	37,662	38,049
15	38,413	38,810	39,212	39,619	40,030	40,446	40,868	41,296
16	41,616	42,052	42,494	42,941	43,394	43,852	44,317	44,786
17	45,138	45,619	46,105	46,597	47,095	47,599	48,109	48,626

# First Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
18	49,015	49,542	50,077	50,617	51,166	51,721	52,282	52,851
19	53,873	54,649	55,437	56,237	57,051	57,878	58,719	59,573
20	60,157	61,032	61,922	62,827	63,747	64,669	65,599	66,532
21	67,005	67,992	68,996	70,016	71,054	72,107	73,143	74,231
22	74,836	75,952	77,086	78,238	79,409	80,562	81,771	82,999
23	83,659	84,918	86,199	87,507	88,936	90,387	91,862	93,299
24	94,132	95,668	97,230	98,817	100,430	102,069	103,685	105,378
25	107,208	108,958	110,736	112,543	114,381	116,247	118,145	120,073
26	121,146	123,122	125,132	127,174	129,250	131,359	133,503	135,682
27	136,893	139,128	141,399	143,638	145,983	148,080	150,498	152,954
28	154,320	156,838	159,398	161,845	164,485	167,171	169,654	172,423
29	173,962	176,802	179,688	182,621	185,601	188,267	191,340	194,463
30	196,199	199,401	202,558	205,765	209,022	212,434	215,796	219,319
31	285,813	291,395	297,086	302,741	308,504	314,468	320,516	326,681
32	339,921	346,777	353,769	360,727	368,002	375,424	382,996	390,719
33	428,994	441,863						

# 3 Updates on Standard Allowances and Benefits



# Standard Allowances and Benefits

These are allowances and benefits given to all employees across agencies at prescribed rates, guidelines, rules and regulations.

- 1. PERA**
2. Uniform/Clothing Allowance
3. Year-End Bonus
4. Cash Gift
- 5. Medical Allowance**



# Updates on Uniform/Clothing Allowance (U/CA)

BC No. 2024-1 dated April 4, 2024

# Uniform/Clothing Allowance (U/CA)

**Section 58** of the General Provisions of the FY 2024 GAA authorizes the payment of U/CA **not exceeding Seven Thousand Pesos (₱7,000)** per annum for each qualified government employee, subject to the guidelines, rules, and regulations issued by the DBM.

Corollary, DBM issued **Budget Circular (BC) No. 2024-1** to prescribe the updated rules and regulations on the grant of the U/CA to civilian personnel.

# Uniform/Clothing Allowance (U/CA)

## Rates of the U/CA

- For FY 2024, not to exceed **₱7,000** per annum for full-time service of personnel;
- For part-time service, shall be in direct proportion to the U/CA for full-time service.

## Forms and Other Details of the U/CA

- The U/CA may be granted in the form of: (a) **uniforms** procured through a bidding process; (b) **textile** materials and cash to cover sewing/tailoring; and (c) **cash** form for incumbents of executive positions or for those who will procure their individual uniforms according to set conditions.
- As far as practicable, such uniform/clothing shall use Philippine tropical fibers pursuant to R.A. No. 9242. Shoes shall be on the personal accounts of officials/ employees, unless provided by law.



# Uniform/Clothing Allowance (U/CA)

- Generally, the full rates of the U/CA for full-time and part-time service **shall be granted to those who are already in government service and are able to render services for at least six (6) months** in a particular fiscal year, including leaves of absence with pay
- The 6-month service requirement does not apply to those who are required to wear uniforms at all times while performing their duties such as security guard, Special Police, allied and medical staff in hospitals, and others in similar situations
- A newly hired employee may qualify for the grant of the U/CA after rendering six (6) months of service.



# Grant of Medical Allowance

EO No. 64, s. 2024 dated August 2,  
2024



# Medical Allowance

- **Section 7 of EO No. 64, s. 2024** provides that beginning **FY 2025**, a **Medical Allowance in an amount not exceeding P7,000 per annum** shall be granted to qualified government civilian personnel as a subsidy for the availment of health maintenance organization-type benefits.
- The Medical Allowance shall be categorized under the **Standard Allowances and Benefits component** of the Total Compensation Framework embodied in JR. No. 4 and RA No. 11466.
- The grant of the Medical Allowance shall be subject to the conditions and implementing guidelines **to be issued** by the DBM or the GCG, as the case may be.

# Medical Allowance

The following are excluded from the grant of the Medical Allowance:



Government officials and employees who are already receiving HMO-based health care services by virtue of special laws; and



Officials and employees in the legislative and judicial branches and other offices vested with fiscal autonomy.

The heads of the foregoing agencies and offices **may grant a similar Medical Allowance** to their employees or continue to procure allowance HMO plans, subject to the limitations and guidelines that the DBM may issue in consultation with the said offices.



4

# Updates on Specific-Purpose Allowances and Benefits





# Standard Allowances and Benefits

Given to employees across agencies under specific conditions and situations related to actual performance of work, at prescribed rates and guidelines.

1. **RATA**
2. Per Diem
3. **Honoraria**
4. **Night Shift Differential Pay**
5. Overtime Pay
6. Non-Monetary Remuneration for Overtime Services
7. Subsistence Allowance
8. Hazard Duty Pay
9. Special Counsel Allowance

# Updates on Representation and Travel Allowances (RATA)

NBC No. 593 dated May 3, 2024

# NATIONAL BUDGET CIRCULAR (NBC) NO. 593 DATED MAY 3, 2024

## Updated Rules and Regulations on the Grant of Representation and Transportation Allowances (RATA) for FY 2024 and Years Thereafter

Pursuant to **Section 64** of the **General Provisions of RA No. 11975**, the **FY 2024 GAA**, the monthly rates of RATA, **effective January 1, 2024**, are as follows:

Officials/Employees	Monthly RA or TA (In Pesos)	RATA Code
Department Secretaries and those of equivalent ranks	<b>15,500</b>	<b>RT1</b>
Department Undersecretaries and those of equivalent ranks	<b>12,500</b>	<b>RT2</b>
Department Assistant Secretaries and those of equivalent ranks	<b>11,500</b>	<b>RT3</b>
Bureau Directors, Department Regional Directors, and those of equivalent ranks	<b>10,000</b>	<b>RT4</b>

Department of Budget and Management

# NATIONAL BUDGET CIRCULAR (NBC) NO. 593 DATED MAY 3, 2024

## Updated Rules and Regulations on the Grant of Representation and Transportation Allowances (RATA) for FY 2024 and Years Thereafter

Officials/Employees	Monthly RA or TA (In Pesos)	RATA Code
Assistant Bureau Directors, Department Regional Directors, Bureau Regional Directors, Department Service Directors, and those of equivalent ranks	<b>9,500</b>	<b>RT5</b>
Assistant Bureau Regional Directors and those of equivalent ranks	<b>8,500</b>	<b>RT6</b>
Chief Division identified as such in the Personal Services Itemization and Plantilla of Personnel and those of equivalent ranks	<b>6,000</b>	<b>RT7</b>



# NATIONAL BUDGET CIRCULAR (NBC) NO. 593 DATED MAY 3, 2024

## Updated Rules and Regulations on the Grant of Representation and Transportation Allowances (RATA) for FY 2024 and Years Thereafter

### General Guidelines on the Grant of RATA

A rationalized scheme on the grant of RATA based on the number of days of actual work performance on workdays by the official/employee concerned is hereby prescribed.

#### A. For Agencies Adopting a Five (5)-Day Workweek and Eight (8)-Hour Workday

<b>Number of Workdays of Actual Work Performance in a Month</b>	<b>Actual RATA for a Month</b>
<b>1 to 5</b>	<b>25% of the monthly RATA</b>
<b>6 to 11</b>	<b>50% of the monthly RATA</b>
<b>12 to 16</b>	<b>75% of the monthly RATA</b>
<b>17 or more</b>	<b>100% of the monthly RATA</b>

# NATIONAL BUDGET CIRCULAR (NBC) NO. 593 DATED MAY 3, 2024

## Updated Rules and Regulations on the Grant of Representation and Transportation Allowances (RATA) for FY 2024 and Years Thereafter

### General Guidelines on the Grant of RATA

- B. For Agencies Adopting a Four (4)-Day *Compressed* Workweek and Ten (10)-Hour Workday

Number of Workdays of Actual Work Performance in a Month	Actual RATA for a Month
1 to 4	25% of the monthly RATA
5 to 9	50% of the monthly RATA
10 to 13	75% of the monthly RATA
14 or more	100% of the monthly RATA

# Status of the Study on Honoraria and Overtime Pay for Personnel Involved in Government Procurement



# Honoraria for Personnel Involved in Government Procurement (BC No. 2007-3)

- In view of the passage of the new government procurement act into a law, we recognize that the **25%** threshold for the total honoraria that may be received by personnel as a result of their involvement in procurement activities has now been **increased to 30%**.
- Accordingly, the DBM shall issue/update the existing guidelines for the purpose in coordination with the Government Procurement Policy Board-Technical Support Office (GPPB-TSO).



# Night Shift Differential Pay

## CSC-DBM-GCG JC No. 1, s. 2023



# Night Shift Differential Pay

## Coverage

- Government employees occupying position items from **Division Chief and below**, or their equivalent, including those in GOCCs whether the nature of their employment is permanent, contractual, temporary, or casual, shall be paid night shift differential at a **rate not exceeding twenty percent (20%) of the hourly basic rate of the employee**, as determined by the head of the agency, for **each hour of work performed between the hours of 6:00 in the evening and 6:00 in the morning of the following day**:
- Provided, that the night shift differential pay provided under the RA shall be **in addition** to and shall not in any way diminish whatever benefits and allowances are presently enjoyed by government employees.
- **Hourly basic rate** refers to **basic salary rate per hour** derived by **dividing the basic monthly rate by twenty-two (22) working days**, and **dividing the quotient derived by eight (8) hours**.

# Night Shift Differential Pay

## **Not covered**

- Government employees whose schedule of office hours fall between 6:00 in the morning to 6:00 in the evening. Services rendered beyond the regular eight (8)-hour work schedules are paid overtime pay in accordance with existing laws, rules and regulations; and
- Government employees whose services are required, or are on call, twenty-four (24) hours a day such as uniformed personnel of the AFP, the PNP, the BJMP, the BFP, and others similarly situated, as may be determined by the CSC and the DBM.



# Night Shift Differential Pay

- CSC, DBM, and GCG issued **Joint Circular No. 1, s. 2023** prescribing the guidelines on the grant of night shift differential pay to qualified government employees to ensure uniform policy interpretation, and effective and efficient implementation thereof in the public sector pursuant to RA No. 11701 and its implementing rules and regulations.



# 4 Updates on Incentives



# Incentives

- To reward an employee's loyalty to government service and contributions to an agency's continuing viable existence.
  - As rewards for exceeding agency performance targets and to motivate employee productivity.
1. Loyalty Incentive
  2. Anniversary Bonus
  3. Mid-Year Bonus
  4. Productivity Enhancement Incentive
  5. **Collective Negotiation Agreement Incentive**
  6. Performance-Based Bonus
  7. Program on Awards and Incentives for Service Excellence

# Updates on Collective Negotiation Agreement (CNA) Incentive

## BC No. 2023-1 dated November 10, 2023





# Collective Negotiation Agreement (CNA) Incentive

## Background

- **AO No. 135, s. 2005<sup>2</sup>** authorized the grant of CNA Incentive to NGAs, LGUs, SUCs, and GOCCs. The same AO directed the DBM to issue the policy and procedural guidelines to implement the provisions thereof.
- **Congress JR No. 4, s. 2009** stipulated that the CNA Incentive may be granted to both management and rank-and-file employees of agencies with approved and successfully implemented CNAs in recognition of their efforts in accomplishing performance targets at lesser cost, and in attaining more efficient and viable operations through cost-cutting measures and systems improvement. *[Item (4)(h)(ii)(aa)]*
- **DBM BC No. 2023-1** provides the policy and procedural guidelines on the grant of the CNA Incentive for FY 2023
- The General Provisions of the annual GAA contain rules in the grant of the CNA Incentive. *[Sec. 81, General Provisions, FY 2024 GAA]*



# Collective Negotiation Agreement (CNA) Incentive

## Coverage

**Civilian personnel** occupying regular, contractual, or casual positions in NGAs, including Constitutional Offices enjoying fiscal autonomy, SUCs, GOCCs, LWDs, and LGUs, whether or not covered by RA No. 6758:

- Rank-and-file employees who are **members** of an employees' organization accredited by the CSC as the sole and exclusive negotiating agent (hereinafter referred to as "negotiating agent") in accordance with rules and regulations issued by the Public Sector Labor Management Council (PSLMC)
- Rank-and-file employees who are **non-members** of the CSC-accredited sole and exclusive negotiating agent but want to enjoy or accept benefits under the CNA, subject to payment of agency fee to the negotiating agent in accordance with PSLMC Resolution No. 1, s.1993
- Those who perform **managerial functions**.

# Collective Negotiation Agreement (CNA) Incentive

## Conditions for the Grant of the CNA Incentive

- Existence of a CNA
- Accomplishment of Targets
- Submission of Accountability Reports

## Rate of the CNA Incentive

- The rate of the CNA Incentive shall not be pre-determined in the CNA since it is subject to compliance with the conditions and the availability of the allowable allotments;
- The CNA Incentive may be given equally to all qualified employees or at varying rates in consideration of the employee's or his/her office's contribution to the accomplishment of performance targets, efficiency, productivity, or profitability, as determined by the agency head.
- In all cases, the CNA Incentive shall **not exceed P30,000** per qualified employee.

# Collective Negotiation Agreement (CNA) Incentive

## Fund Sources of the CNA Incentive

- For NGAs, Constitutional Offices, SUCs, GOCCs, LWDs, and LGUs - from available balances of allowable MOOE allotments after considering the FY 2023 requirements
- Provided that the same have become available as a result of cost-cutting and systems improvement measures undertaken collectively by the agency and its personnel.

- Communication Expenses
- Repairs and Maintenance Expenses
- Supplies and Materials Expenses
- Transportation and Delivery Expenses

- Traveling Expenses
- Utility Expenses
- Printing and Publication Expenses
- Advertising Expenses
- Subscription Expenses



# Updates on Performance-Based Bonus





# Performance-Based Bonus (PBB)

- It is a top-up bonus given to personnel of bureaus or delivery units as one of the components in accordance with their contribution to the accomplishment of their Department's overall targets and commitments
- The grant of the PBB is one of the components under the Performance-Based Incentive System (PBIS) authorized under EO No. 80, s. 2012.
- Beginning FY 2021, the delivery units of eligible agencies are no longer ranked and the existing PBB rates adopted are fixed and based on a portion of an individual's monthly basic salary (MBS).

# Performance-Based Bonus (PBB)

- The latest guidelines on the grant thereof stipulated under **Inter-Agency Task Force MC No. 2022-1** provides that the PBB of eligible officials and employees shall be granted at uniform rates across the agency based on the achieved agency score using a percentage of their monthly basic salary (MBS) as of December 31, 2022:

Total Score	Rate of the PBB
100 points	65%
95 points	61.75%
90 points	58.5%
85 points	55.25%
80 points	52%
75 points	48.75 %
70 points	45.5%

# Performance-Based Bonus (PBB)

- **EO No. 61**, which was issued on June 3, 2024, provides the **review and study** of the government's (i) **Results-Based Performance Management System (RBPMS)** that was established under Administrative Order No. 25, s. 2011, and the (ii) **Performance-Based Incentive System (PBIS)** that was introduced under EO No. 80, s. 2012.
- Corollary, a **Technical Working Group (TWG)**, composed of DBM, OP-OES, DOF, NEDA, and ARTA, is established to specifically conduct a study and review of the RBPMS and PBIS with the goal of streamlining, overhauling, improving, and simplifying government performance management and incentives systems.
- The TWG is tasked to submit to the OP a **Transition Plan for the FY 2023 PBB** within three (3) months from the effectivity of the EO, as well as a **Comprehensive Report** on its findings and policy recommendations for the grant of the PBB for FY 2024 and years thereafter within six (6) months from the effectivity of EO No. 61.



# Performance-Based Bonus (PBB)

- On the other hand, it bears stressing that the **payment of the FY 2022 PBB** to the eligible agencies is **being continued and processed** despite the issuance of EO No. 61.
- This is the case since the EO only seeks to review the RBPMS and the PBIS of the government in order to harmonize, streamline and make the process of releasing personnel incentives more efficient and timely.



# 6 Other Matters



Republic of the Philippines  
Department of Budget and Management

# Extension of the Transition Period of Contract of Service (COS) and/or Job Order Workers (JO)

COA-DBM JC No. 2, s. 2024 dated July 19,  
2024

# Definition of Terms

## ***Contract of Service***

Engagement of services of an individual, private firm, other government agency, non-government agency or international organization as consultant, learning service provider or technical expert to undertake a special project or job within a specific period.

## ***Job Order***

A piece work (*pakyaw*) or intermittent or emergency jobs such as clearing of debris, canals, waterways, etc., other manual, trades and crafts services such as carpentry, plumbing, electrical. These jobs are of short duration and for a specific piece of work.



# Rules and Regulations on Contract of Service (COS) and Job Order (JO) Workers

- **COA-DBM JC No. 2, s. 2024 amended** the **transitory period** under Section 11.1 of the DBM-COA JC No. 2, s. 2020, allowing the NGAs, SUCs, and GOCCs to engage the services of new COS and JO workers through individual contract and renew the existing individual contracts until **December 31, 2025**.

Thereafter, the engagement of COS and JO workers shall be in accordance with the provisions of COA-DBM JC No. 2, s. 2020, as well as any subsequent guidelines, rules, and regulations issued by the COA, DBM, and other concerned parties.

- President Ferdinand R. Marcos, Jr. ordered the extension of the transition period until December 31, 2025 to provide the departments/agencies sufficient time to revisit their respective staffing requirements vis-a-vis their organizational structure and mandate, as well as implement the revised rules on the engagement of COS and JO workers.



# Updates on the Review of Local Travel Rates under EO No. 7, s. 2019



# Status of the Study on the Revision of Local Travel Rates under EO No. 77, s. 2019

At present, the maximum allowable daily travel expenses (DTE) of government personnel, regardless of rank and position, are as follows:

	<b>Destination</b>	<b>Maximum DTE</b>
Cluster I	Regions I, II, III, V, VIII, IX, XII, XIII, ARMM	<b>P 1,500</b>
Cluster II	Regions VI, VII, X, XI, Cordillera Administrative Region	<b>P 1,800</b>
Cluster III	Regions IV-A, IV-B, National Capital Region	<b>P 2,200</b>

# Status of the Study on the Revision of Local Travel Rates

- The ongoing study on the travel rates is expected to be completed by the Travel Rates Committee (TRC), which is chaired by the DBM, with the Department of Tourism (DOT), Department of Foreign Affairs (DFA), and Commission on Audit (COA) as members, within the year.
- Currently, the DBM is **finalizing the draft Executive Order**, which will be submitted to the Office of the President within the last quarter of the year.

# Status of the Review of Overseas Allowances





# Status of the Review of Overseas Allowances

- The System of Allowances of foreign service personnel (FSP) who are posted abroad is provided under **RA No. 7157** dated September 19, 1991, also known as the “Philippine Foreign Service Act of 1991.”
- Among others, RA No. 7157 authorized the grant of the following allowances:
  - Overseas Allowance (OA);
  - Living Quarters Allowance (LQA);
  - Education Allowance (EA);
  - Family Allowance (FA); and
  - Representation Allowance
- The existing base rates and indices for OA, LQA, FA, and RA are provided under **EO No. 156, s. 2013**, which was issued **over 10 years**

# Status of the Review of Overseas Allowances

- The DFA and the DBM have worked closely to update the rates and indices to be more responsive to current economic conditions in the various overseas posts.
- Accordingly, the DBM is currently finalizing its recommendation on the matter, for submission to the Office of the President.
- The DBM has earmarked a particular amount in the FY 2025 proposed budget to fund the proposed adjustment in the existing rates of overseas and other allowances of FSPs deployed abroad.
- The proposed amount will benefit **1,919** FSPs (1,501 under the DFA and 418 under other agencies).

# THANK YOU!

