



Updates on Compensation and Allowances in the Government

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1 Compensation Standards and Guidelines



Republic of the Philippines
Department of Budget and Management

Salary Increase since 1989

SSL 1	Republic Act (RA) No. 6758, s. 1989
SSL 2	Congress Joint Resolution (JR) No. 1, s. 1994 - Implementation in 1994-1997
2001	5% Salary increase
2007	10% Salary increase
2008	10% Salary increase
SSL 3	Congress JR No. 4, s. 2009 - Implementation in 2009-2012
SSL 4	Executive Order (EO) No. 201, s. 2016 - Implementation in 2016 - 2019
SSL 5	EO No. 64, s. 2024 - Implementation in 2024-2028
SSL 6	

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.



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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)
Sub-Professional (SG-1 to SG-10)	18.2%	98.7%	95.3%
Professional (SG-11 to SG-24)	16.8%	97.5%	81.0%
Managerial (SG-25 to SG-28)	8.0%	97.5%	71.3%
Executives (SG-29 to SG-31)	8.0%	43.3%	35.0%
Top Leaders (SG-32 to SG-33)	8.0%	31.0%	42.0%

✓ Gov't target at least 80-90% Market Comparative Ratio

✓ Competitive Salaries for SG 1 - 24

✗ Managerial positions and up need to catch up with the market



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Salient Features of EO No. 64, s. 2024



Republic of the Philippines
Department of Budget and Management

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
Sub-Professional (SG-1 to SG-10)	4.3%	95.3%	4.20%	98.78%
Professional (SG-11 to SG-24)	4%	81.0%	4.88%	86.60%
Managerial (SG-25 to SG-28)	2%	71.3%	4.34%	76.53%
Executives (SG-29 to SG-31)	2%	35.0%	3.42%	35.92%
Top Leaders (SG-32 to SG-33)	2%	42.0%	2.38%	44.25%
AVERAGE (SG-1 to SG-31)	3.6%	79.29%	4.41%	84.33%
AVERAGE (SG-1 to SG-33)	3.5%	78.00%	4.33%	83.07%

- ✓ 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)
Sub-Professional (SG-1 to SG-10)	18.2%	17.6%
Professional (SG-11 to SG-24)	16.8%	19.9%
Managerial (SG-25 to SG-28)	8.0%	17.5%
Executives (SG-29 to SG-31)	8.0%	13.6%
Top Leaders (SG-32 to SG-33)	8.0%	9.5%
<i>AVERAGE</i> <i>(SG-1 to SG-31)</i>	15.2%	18.2%
<i>AVERAGE</i> <i>(SG-1 to SG-33)</i>	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**

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).

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.

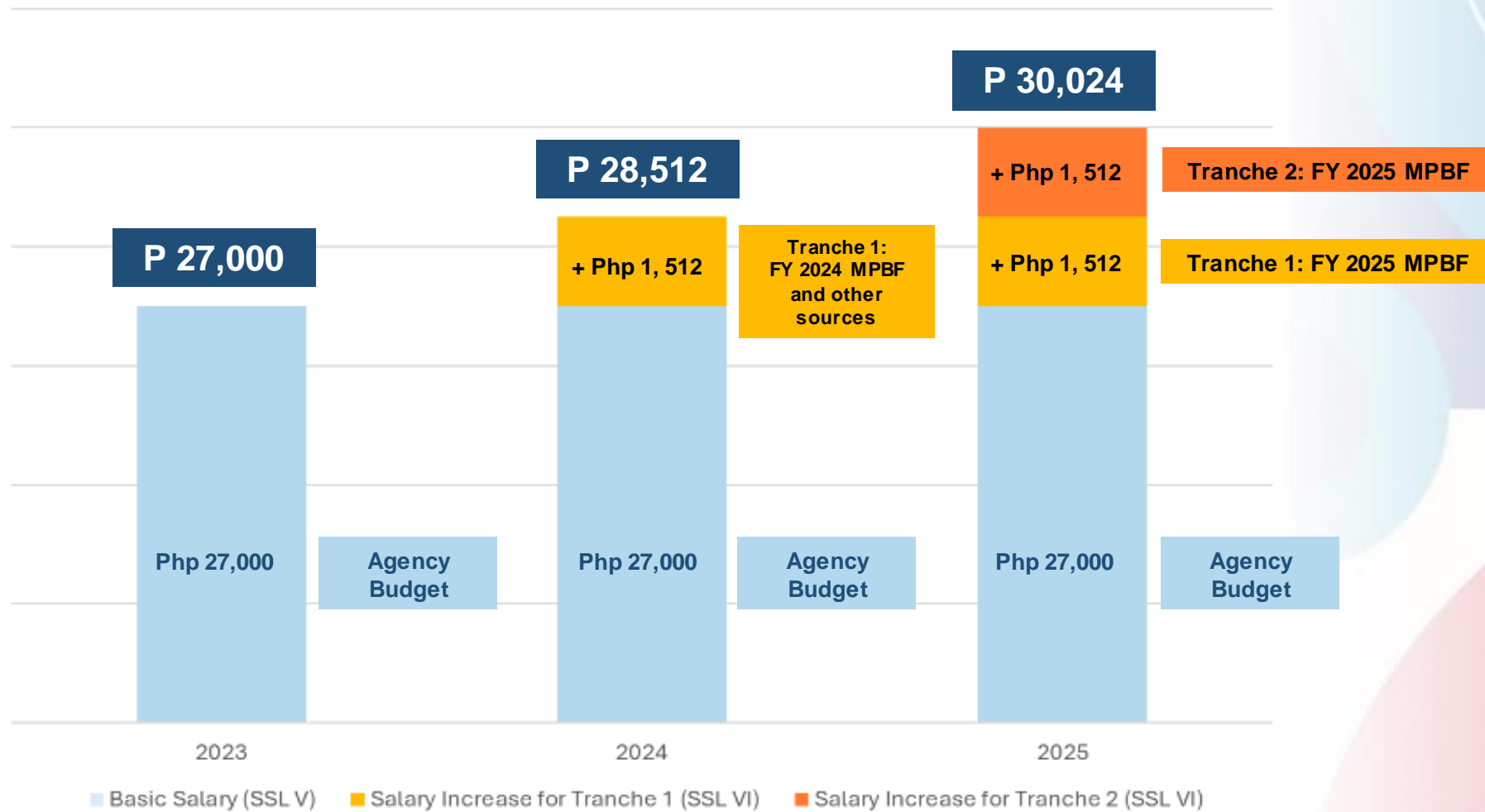


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Updated Salary Rates for Select Positions



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 st Tranche)			2025 (2 nd Tranche)			2026 (3 rd Tranche)			2027 (4 th 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 st Tranche)			2025 (2 nd Tranche)			2026 (3 rd Tranche)			2027 (4 th 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%



5 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 Personnel Economic Relief Allowance



Personnel Economic Relief Allowance (PERA)

Under the Total Compensation Framework (TCF), as stipulated in **Congress Joint Resolution (JR) No. 41 , s. 2009**, the **PERA** is among the standard allowances and benefits being given to all employees across agencies to **supplement pay** due to the rising cost of living.

At present, the following personnel are receiving PERA at the rate of P2,000 per month:

- Civilian government personnel, occupying regular, contractual, or casual positions; appointive or elective, rendering services on full-time or parttime basis; and whose positions are covered by Republic Act (RA) No. 67582 , as amended; and
- Military and uniformed personnel (MUP).

Personnel Economic Relief Allowance (PERA)

The rules and regulations on the grant of the PERA are prescribed under **Budget Circular (BC) No. 2009-3**, as amended by **BC No. 2011-2**.

It bears noting that the rate of PERA has remained **unchanged** since CY 2009 following its institutionalization as part of the TCF under Congress JR No. 4.

In line with the review of the government's salary and other benefits, the Department is studying the possible adjustment on the present rate of the PERA to keep up with the rising inflation.



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.



Updates on Year-End Bonus and Cash Gift

DBM BC No. 2024-3 dated October 20, 2024



Year-End Bonus (YEB) and Cash Gift (CG)

Section 8 of Republic Act No. 11466 dated January 8, 2020 provides that the **YEB**, that is equivalent to one (1) month basic salary, and the **CG** of ₱5,000.00, which are categorized under the Standard Allowances and Benefits component of the Total Compensation Framework, shall be given in November of every year.

Relatedly, DBM **Budget Circular (BC) No. 2016-4** dated April 28, 2016 was issued to provide the policy and procedural guidelines on the grant of the YEB and CG to government personnel for FY 2016 and years thereafter.

Year-End Bonus (YEB) and Cash Gift (CG)

Pursuant to **Item 6.1** of said DBM BC, the YEB and the CG of ₱5,000 are given to entitled personnel, subject to the following conditions:

- Personnel has rendered at least a total or an aggregate of four (4) months of service from January 1 to October 31 of the current year; and
- Personnel remains to be in the government service as of October 31 of the same year

Update on the Guidelines for the Grant of Year-End Bonus (YEB) and Cash Gift (CG)

DBM BC 2024-3 amended Section 6.1 of DBM BC 2016-4, to provide that the year-end bonus, equivalent to one month's basic pay as of October 31, and the cash gift of P5,000, shall be given simultaneously with the first agency payroll for November of the current year.

This amendment ensures timely and efficient distribution of these benefits to eligible government employees.

Year-End Bonus (YEB) and Cash Gift (CG)

On the service requirement, note that **Item 4.2** of **BC No. 2016-4** states that the total or aggregate service required from government personnel for purposes of the grant of YEB and CG shall include **all actual service rendered** while occupying a **regular, contractual, or casual position** in the national and/or local government, **including leaves of absences with pay.**

Item 6.2 of said BC also states that those who have rendered at least a total or an aggregate of four (4) months of service from January 1 of the current year but who have **retired or separated from service** before October 31 of the same year, shall be granted within the month of retirement or separation, a **prorated share** of the YEB and CG.

Corollary, **Item 6.3** of the BC provides that those who have rendered a total or an aggregate of less than four (4) months of service from January 1 to October 31 of the current year and **are still in government service as of October 31** of the same year **shall be entitled solely to a pro-rated CG.**



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.



6 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	15,500	RT1
Department Undersecretaries and those of equivalent ranks	12,500	RT2
Department Assistant Secretaries and those of equivalent ranks	11,500	RT3
Bureau Directors, Department Regional Directors, and those of equivalent ranks	10,000	RT4

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	9,500	RT5
Assistant Bureau Regional Directors and those of equivalent ranks	8,500	RT6
Chief Division identified as such in the Personal Services Itemization and Plantilla of Personnel and those of equivalent ranks	6,000	RT7

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

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


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.



7 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

Loyalty Incentive



CSC Memorandum Circular (MC) No. 06, s. 2002 - guidelines on the grant of Loyalty Award, which was renamed as Loyalty Incentive under JR No. 4, s. 2009

Granted to personnel in the national and local governments including those in SUCs and GOCCs with original charter who rendered 10 years of continuous and satisfactory service in government

Loyalty memorabilia/souvenir:

- 10 and 15 years – bronze service pin
- 20 and 25 years – silver service ring
- 30, 35 and 40 years – gold service medallion
- -or other memorabilia/souvenir as may be provided in the agency PRAISE

In addition, a cash gift of not less than ₱500 not more than ₱1,000.00 for every year of service shall be given to qualified officials/employees.



Anniversary Bonus (Administrative Order (AO) No. 263 dated March 28, 1996)

Anniversary Bonus (AB)

A financial incentive granted to employees on the occasion of their agency's milestone years (15th year and every 5 years thereafter).

Coverage

All personnel under permanent, temporary, contractual or casual status, elective or appointive, who have rendered at least one year of service in the agency as of date of milestone year and continue to be employed in the same agency as of the occasion of its milestone anniversary.

Not Covered

- Those absent without leave as of date of milestone year;
- Those no longer in the service in the same agency as of date of milestone year.

Anniversary Bonus



Guidelines

- The AB shall be at **₱3,000** per employee.
- In case of insufficient funds, a lesser but uniform amount of AB may be paid.
- A milestone year refers to the **15th anniversary** and to **every 5th year** thereafter.
- For NGAs including SUCs, the amounts shall be charged against **savings from released allotments for current operating expenses**, provided that all authorized mandatory expenses shall have been paid first.



Mid-Year Bonus (MYB) (RA No. 11466 and BC No. 2017-2)

Guidelines

The MYB equivalent to one (1) month basic pay as of May 15 shall be given to entitled personnel not earlier than May 15 of the current year, subject to the following:

- Employee is still in the service as of May 15 of the current year;
- Has rendered at least a total or an aggregate of 4 months of service from July 1 of the immediately preceding year up to May 15 of the current year; and
- At least a satisfactory performance rating in the immediately preceding rating period, or the applicable performance appraisal period.



Updates on Collective Negotiation Agreement (CNA) Incentive

BC No. 2024-2 dated November 11, 2024



Collective Negotiation Agreement (CNA) Incentive

Background

- **AO No. 135, s. 2005²** 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. 2024-2** provides the policy and procedural guidelines on the grant of the CNA Incentive for FY 2024
- 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 – at least 75%
- 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 2024 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**

Collective Negotiation Agreement (CNA) Incentive

IBudget Circular (BC) No. 2024-4 on November 11, 2024

- CNA Incentive for FY 2024 is a **one-time benefit** which shall be granted **not earlier than December 15, 2024** but **not later than December 31, 2024**
- The CNA Incentive for the year shall be granted only during the validity of appropriations from which the available MOOE allotments shall be sourced
- Agencies are advised that additional funds can no longer be provided during the remainder of the current year for those programs, projects, and activities covered by the MOOE allotments, which are to be modified to fund the CNA Incentive.



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)

- **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.
- The President has issued an approval on the grant of the FY 2023 PBB and the 2024 PEI.
- EO No. 61 TWG will issue the corresponding guidelines for the purpose.

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Productivity Enhancement Incentive (PEI) (BC No. 2017-4)

Coverage

- Civilian personnel, whether regular, casual, or contractual in nature, appointive or elective, in the Executive, Legislative, and Branches, the Constitutional Commissions and other Constitutional Offices, SUCs, GOCCs not covered by RA No. 10149, and local water districts (LWDs); and in LGUs; and
- Military and uniformed personnel.

Guidelines

The PEI of **₱5,000** shall be given **not earlier than December 15 of the current year**, subject to the following conditions:

- The employee is still in the service as of November 30 of the current year; and
- The employee has rendered at least a total or an aggregate of 4 months of at least satisfactory service as of November 30 of the current year, including leaves of absence with pay.

8 Other Matters



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.”
- President Ferdinand R. Marcos Jr. issued **Executive Order (EO) No. 73 on 30 October 2024** to update the rates, indices, rules, and regulations governing the payment of the following allowances applicable to all national government employees who are assigned overseas.
 - Overseas Allowance (OA);
 - Living Quarters Allowance (LQA);
 - Education Allowance (EA);
 - Family Allowance (FA); and
 - Representation Allowance

Status of the Review of Overseas Allowances

- Under the new EO, the overall rate of the increase in the base rates for the **OA** and **LQA** will be implemented in four (4) tranches
- The updated rates and indices for OA, LQA, FA, and RA resulted from the comprehensive review conducted by the Department of Foreign Affairs (DFA) and the DBM of the allowances under **EO No. 156, s. 2013**, which was issued **more than 10 years ago**.



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. 77, 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:

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

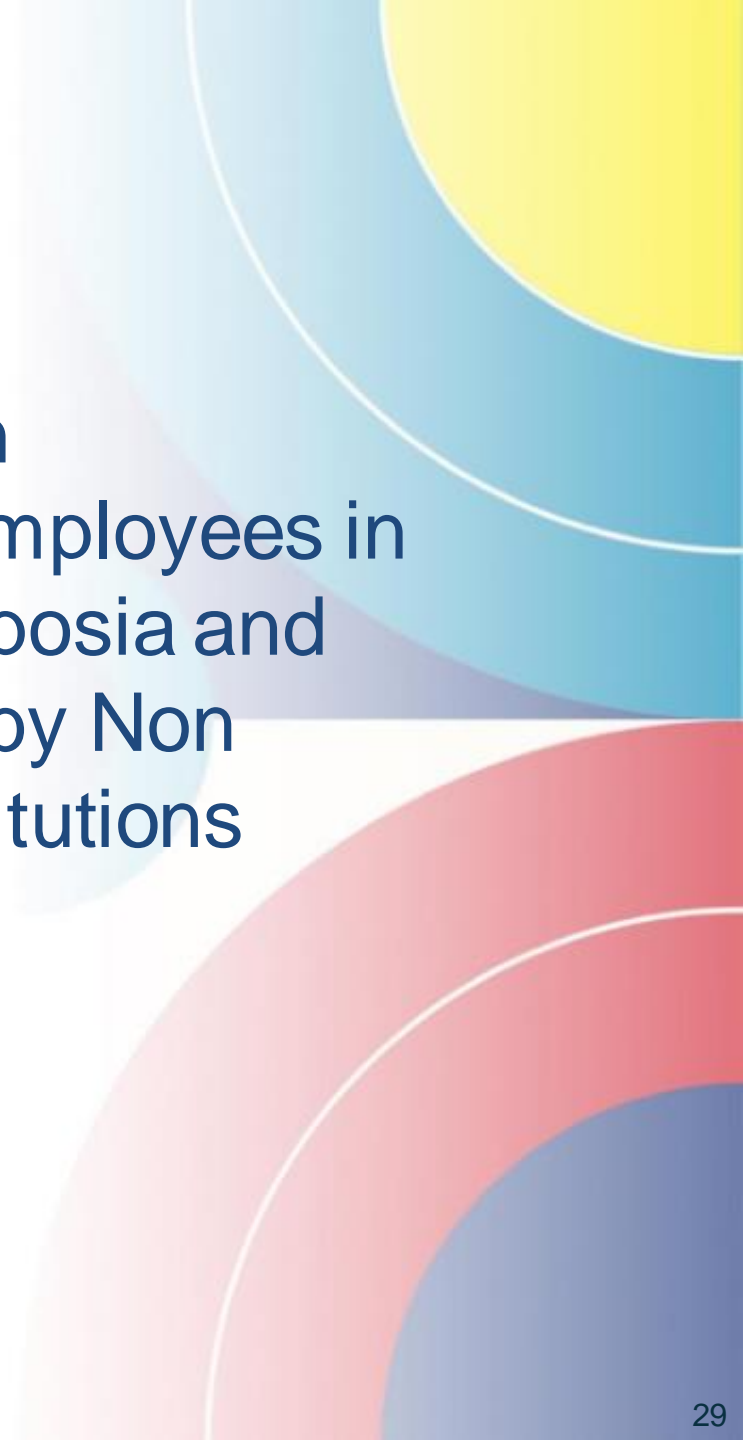
Status of the Study on the Revision of Local Travel Rates

- 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, conducted a study regarding the possible adjustment on the rates of the DTE for official domestic travel.
- Currently, the DBM is **finalizing the draft Executive Order**, which will be submitted to the Office of the President for consideration and approval.



Updates on the Review of the Guidelines on Participation of Government Officials and Employees in Conventions, Seminars, Conferences, Symposia and Similar Non-Training Gathering Sponsored by Non Government Organizations and Private Institutions

NBC No. 563 dated April 22, 2016




Guidelines on Participation of Government Officials and Employees in Conventions, Seminars, Conferences, Symposia and Similar Non-Training Gathering Sponsored by Non-Government Organizations and Private Institutions

Current rate is being studied for adjustment.

Economic indicators are being considered, as well as inputs of the following organizations have been requested:

- Philippine Association of Government Budget Administration, Inc. (PAGBA);
- Association of Government Accountants of the Philippines, Inc. (AGAP);
- Government Association of Certified Public Accountants, Inc. (GACPA);
- Government Financial Management Innovators Circle, Inc. (GFMIC); and
- Philippine League of Local Budget Officers., Inc. (PHILLBO)



FY 2024 Service Recognition
Incentive (???)

FY 2024 Gratuity Pay for COS/JO
Workers (???)



THANK YOU!

