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**HR-Central Advisory No. 2**  
**Series of 2023**

**TO : ALL CONTRACTUAL FACULTY MEMBERS,  
UNDERGRADUATE LECTURERS AND  
JOB ORDER PERSONNEL**

**THRU : VICE PRESIDENTS AND CHANCELLORS**

**SUBJECT : SALARY ADJUSTMENT FY 2023**

**DATE : 12 JANUARY 2023**

The Commission on Audit (COA) and the Department of Budget and Management (DBM) issued Joint Circular No. 2, s. 2022 amending transitory provision of COA-DBM JC No. 2 dated October 20, 2020 and allowing departments/agencies to engage the services of new COS/JO workers through individual contract and renew the individual contracts of their existing COS/JO workers until December 31, 2024.

As regards to the provision of COA and DBM JC No. 2, s. 2020 stating that individuals hired through JO shall be paid wages equivalent to the daily wage/salary of comparable positions in the government, it was not amended by JC No. 2, s. 2022 and was still applicable up to date.

Pursuant thereto, salary adjustment equivalent to the fourth tranche applicable to comparable positions in the government shall be implemented for all contractual faculty members, undergraduate lecturers, and job order personnel depending on their existing salary grades.

The Human Resource Management Office, in coordination with the Finance/Budget Division of each constituent campus, shall implement the salary adjustment effective January 1, 2023.

Attached is the copy of the joint circular and the applicable rates for the fourth tranche of RA No. 11466.

For information and guidance.

  
**Mrs. LOUWELYN L. ANDAL**  
Assistant Director, HRMO-Central



**COMMISSION ON AUDIT  
DEPARTMENT OF BUDGET AND MANAGEMENT  
JOINT CIRCULAR NO. 2, s. 2022  
November 10, 2022**

**TO : ALL HEADS OF CONSTITUTIONAL BODIES, NATIONAL GOVERNMENT AGENCIES (NGAs), GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS (GOCCs) WITH ORIGINAL CHARTERS, and STATE UNIVERSITIES AND COLLEGES (SUCs)**

**SUBJECT : Amendment to the Commission on Audit (COA)-Department of Budget and Management (DBM) Joint Circular (JC) No. 2<sup>1</sup> dated October 20, 2020**

**1.0 Background**

The COA and the DBM issued JC No. 2, s. 2020 to provide the updated rules and regulations on the engagement of contract of service (COS) and job order (JO) workers in the government.

Item 11.1 thereof provided a transitional period which allowed departments/agencies concerned to engage the services of new COS/JO workers through individual contracts and renew the individual contracts of their existing COS/JO workers up to December 31, 2022.

The transition period is vital in order for departments/agencies to reassess their organizational and staffing requirements vis-à-vis their existing manpower complement, as well as give them ample time to comply with the prescribed rules and regulations on the engagement of the services of COS/JO workers.

However, since the issuance of JC No. 2, s. 2020, the COA and DBM have received numerous inquiries regarding its implementation by various agencies. Hence, consultation meetings were conducted on the matter.

As a result of consultations departments/agencies concerned and in order not to impair the delivery of government services, the COA and DBM are amending certain provisions of JC No. 2, s. 2020.

<sup>1</sup> Rules and Regulations Governing Contract of Service and Job Order Workers in the Government dated June 15, 2017




2.0 Section 11.1 of COA-DBM JC No. 2, s. 2020 is amended to read as follows:

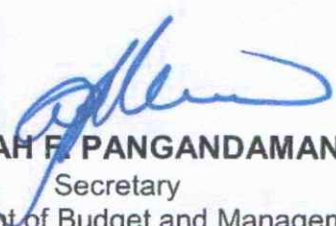
**"11.0 Transitory Provisions**

11.1 *Departments/agencies may engage the services of new COS/JO workers through individual contract and renew the individual contracts of their existing COS/JO workers until December 31, 2024. Thereafter, the engagement of COS/JO workers shall be in accordance with the provisions of COA-DBM JC No. 2, s. 2020.*

3.0 **Effectivity**

This Joint Circular shall take effect after 15 days from its publication in a newspaper of general circulation.

  
**GAMALIEL A. CORDOBA**  
Chairperson  
Commission on Audit

  
**AMENAH F. PANGANDAMAN**  
Secretary  
Department of Budget and Management





**COMMISSION ON AUDIT  
DEPARTMENT OF BUDGET AND MANAGEMENT  
JOINT CIRCULAR NO. 2, s. 2020  
October 20, 2020**

**TO : ALL HEADS OF CONSTITUTIONAL BODIES, NATIONAL GOVERNMENT AGENCIES (NGAs), GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS (GOCCs) WITH ORIGINAL CHARTERS and STATE UNIVERSITIES AND COLLEGES (SUCs)**

**SUBJECT : Updated Rules and Regulations Governing Contract of Service (COS) and Job Order (JO) Workers in the Government**

**1.0 Background**

Civil Service Commission (CSC)-Commission on Audit (COA)-DBM JC No. 1, s. 2017 was issued to provide the rules and regulations regarding the engagement of the services of COS and JO workers in the government.

Item 11.1 thereof provided a transitional period which allowed agencies concerned to renew the individual contracts of their existing COS/JO workers up to December 31, 2018.

In view of this, CSC-COA-DBM JC No. 1, s. 2018 was issued to further extend the transition period allowing agencies to engage the services of new COS/JO workers and renew the existing contracts of COS/JO workers until December 31, 2020.

In light of the challenges brought about by the COVID-19 pandemic affecting the operations of government agencies, there is a need to update the existing policies on the engagement of COS and JO workers to ensure the smooth, effective, and efficient delivery of services to the public.

**2.0 Policy Statement**

Government agencies are authorized to enter into service contracts with other government agencies, private firms, non-government agencies or individuals for services related or incidental to their respective functions and operations, whether on a part-time or full-time basis.

**3.0 Purpose**

This Joint Circular is issued to prescribe the updated rules and regulations governing COS and JO workers in the government.



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#### 4.0 Coverage

This Joint Circular covers all NGAs, GOCCs with original charters, SUCs, and constitutional bodies, which avail of the services of COS or JO workers.

#### 5.0 Definition of Terms

- 5.1 **Contract of Service** refers to the engagement of the services of an individual, private firm, other government agency, non-governmental agency or international organization as consultant, learning service provider or technical expert to undertake special project or job within a specific period.
- 5.2 **Contractor or Service provider** refers to an individual, a government agency or a private or a non-government entity that is duly-registered and recognized by authorized government agencies to provide consultancy services in their respective field of expertise.
- 5.3 **Institutional contract** refers to the agreement between the government agency and contractor or service provider duly-registered and recognized by authorized government agencies to provide services such as janitorial, security, consultancy, and other support services.
- 5.4 **Job Order** refers to piece work (*pakyaw*) or intermittent or emergency jobs such as clearing of debris on the roads, canals, waterways, etc. after natural/man-made disasters/occurrences, and other manual/trades and crafts services such as carpentry, plumbing, electrical, and the like. These jobs are of short duration and for a specific piece of work.
- 5.5 **Support services** may include janitorial, security, driving, data encoding, equipment and grounds maintenance, and other services that support the day to day operations of the agency.

#### 6.0 Contract of Service

##### 6.1 Institutional Contract of Service

As a general rule, government agencies may avail of outsourced services through institutional COS, subject to the following conditions:

- 6.1.1 Institutional COS covers lump sum work or services to perform janitorial, security, consultancy, and other support functions, subject to the provisions of Republic Act (RA) No. 9184<sup>1</sup> and its Implementing Rules and Regulations, and pertinent budgeting, accounting, and auditing rules and regulations.

The contractor or service provider should meet the following requirements:

- a) Duly registered with the Department of Labor and Employment;
- b) Duly registered with the Bureau of Internal Revenue;

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<sup>1</sup> Government Procurement Reform Act



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- c) For sole proprietorship, duly registered with the Department of Trade and Industry;
- d) For corporations and partnerships, duly registered with the Securities and Exchange Commission; and
- e) Must be an active employer registered with the following agencies:
  - 1) Social Security System,
  - 2) Home Development Mutual Fund (Pag-IBIG Fund), and
  - 3) Philippine Health Insurance Corporation.

6.1.2 Workers hired through institutional COS shall remain to be employees of the contractor or service provider.

6.1.3 The discipline of workers under institutional COS shall be the responsibility of the contractor or service provider. The head of the procuring entity may report to the contractor or service provider any misconduct or wrongdoing of the said worker/s.

6.1.4 The contractor or service provider shall be responsible for providing the workers with compensation and benefits compliant with existing labor law<sup>2</sup>, including the necessary social security and other benefits mandated by law, in addition to the direct compensation as payment for their services.

## 6.2 Individual Contract of Service

Government agencies may enter into COS with individuals as consultants/contractors, subject to the following guidelines:

6.2.1 The term of contract between the agency and the individual contractor shall be for a maximum period of one (1) year, renewable at the option of the Head of the procuring entity, but in no case shall exceed the term of the latter<sup>3</sup>.

6.2.2 Engaging the services of an individual contractor shall be subject to pertinent provisions of RA No. 9184 and its implementing guidelines, as applicable<sup>4</sup>, and the existing budgeting, accounting, and auditing rules and regulations.

## 6.3 Job Order

Government agencies may hire JO workers subject to the following conditions:

6.3.1 The services of a JO worker is either paid according to an agreed contract amount for the piece of work or on a daily wage basis.

6.3.2 Contracting the services of JO workers shall be subject to pertinent budgeting, accounting, and auditing rules and regulations.

<sup>2</sup> Title II (Wages), Book 3 (Conditions of Employment) of PD 442 or the Labor Code of the Philippines

<sup>3</sup> Section 53.7, Revised IRR of RA No. 9184, Highly Technical Consultants

<sup>4</sup> GPPB Resolution No. 09-2012 and GPPB Policy Opinion 2012-11-21 (Applicability of RA 9184 and its Revised IRR in the Engagement of Individuals under Job Order or Contract of Service)





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## 7.0 Limitations

- 7.1 Hiring under COS shall be limited to consultants, learning service providers, and/or other technical experts to undertake special project or job within a specific period. The project or job is not part of the regular functions of the agency, or the expertise is not available in the agency, or it is impractical or more expensive for the government agency to directly undertake the service provided by the individual or institutional contractor.
- 7.2 Hiring of JO workers shall be limited to emergency or intermittent work, such as clearing of debris on the roads, canals, waterways, etc. after natural/ man-made disasters/occurrences; other trades and crafts, and manual tasks such as carpentry, plumbing, painting, electrical, and the like which are not part of the regular functions of the agency.
- 7.3 COS and JO workers should not, in any case, be made to perform functions which are part of the job description of the agency's existing regular employees.
- 7.4 COS and JO workers should not be designated to positions exercising control or supervision over regular and career employees.
- 7.5 The services of the COS and JO workers are not covered by Civil Service laws, rules, and regulations, thus, not creditable as government service. They do not enjoy the benefits being received by government employees, such as leave, Personnel Economic Relief Allowance, Representation and Transportation Allowances, and other bonuses and incentives.

## 8.0 Payment of Services under Individual COS

Individuals hired through COS shall be paid the prevailing market rates, subject to the provisions of RA 9184 and its Implementing Rules and Regulations.

The payment of services shall be charged against the Maintenance and Other Operating Expenses (MOOE) in the approved agency budget.

## 9.0 Payment of Services under JO

Individuals hired through JO shall be paid wages equivalent to the daily wage/salary of comparable positions in government and a premium of up to 20% of such wage/salary, subject to the availability of funds.

The premium payment may be paid monthly, in lump sum or in tranches (i.e. mid-year and year-end payments) as may be stated in the agreement or contract with the agency.

The payment of services shall be charged against the MOOE in the approved agency budget.

## 10.0 Monitoring

The COA shall monitor the compliance of agencies with the provisions of this Joint Circular.



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## 11.0 Transitory Provisions

- 11.1 Agencies may engage the services of new COS/JO workers through individual contract and renew the individual contracts of their existing COS/JO workers until December 31, 2022. Thereafter, the engagement of COS/JO workers shall be in accordance with the provisions of this Joint Circular.
- 11.2 The institutional contract to be entered into by government agencies with a contractor or service provider shall include a provision which will state that the existing qualified COS/JO workers engaged by the agencies may be considered in the hiring by the contractor or service provider.
- 11.3 The existing qualified COS/JO workers shall be considered for appointment by the government agencies to their vacant positions subject to existing civil service laws, rules, and regulations, as well as the CSC-approved Merit Selection Plan of the agency.
- 11.4 Government agencies shall review their functions, systems and procedures, organizational structure, and staffing pattern to assess the needs and gaps, if any, and determine the appropriate human resource complement for their programs/ activities/projects.

The creation of permanent positions may be considered for regular functions, while the hiring of casual or contractual personnel may be considered for projects and activities that are temporary in nature, subject to evaluation of the DBM/Governance Commission for GOCCs, as well as existing budgeting and accounting rules and regulations.

- 11.5 Services of individuals engaged through COS basis, excluding persons or entities engaged through RA No. 9184, and JO shall be paid wages equivalent to the daily wage/salary of comparable positions in government.

Subject to the availability of funds, the COS and JO workers may also be granted a premium of up to 20% of their respective wage/salary.

The premium payment may be paid monthly, in lump sum or in tranches (i.e. mid-year and year-end payments) as may be stated in the agreement or contract with the agency. The payment of services shall be charged against the MOOE in the approved agency budget.

## 12.0 Sanctions

Heads of agencies and/or responsible officers found to violate the provisions of these rules and regulations may be charged before the proper administrative bodies (Office of the Ombudsman, Office of the President or CSC) for violation of the existing Civil Service Laws and rules of serious nature or conduct prejudicial to the best interest of the service.

## 13.0 Resolution of Issues

Issues and concerns that may arise in the implementation of these rules and regulations shall be resolved by the COA and the DBM, as appropriate.

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**14.0 Repeal**

All issuances, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Joint Circular are hereby repealed or modified accordingly.

**15.0 Effectivity**

This Joint Circular shall take effect after 15 days from its publication in a newspaper of general circulation.

  
**MICHAEL G. AGUINALDO**  
Chairperson  
Commission on Audit



  
**WENDEL E. AVISADO**  
Secretary  
Department of Budget and Management



ANNEX "A"

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

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