



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GEN. SOLANO ST., SAN MIGUEL, MANILA

LOCAL BUDGET CIRCULAR

No. 121
January 24, 2020

TO : All Provincial Governors; City and Municipal Mayors; *Barangay* Chairpersons; Provincial/City/Municipal/*Barangay* Sanggunian Members; Provincial/City/Municipal Treasurers, Budget Officers, Human Resource Management Officers; and Other Officials Concerned

SUBJECT : Implementation of the First Tranche of the Modified Salary Schedule for Local Government Personnel Pursuant to Republic Act (RA) No. 11466

1.0 Background

RA No. 11466¹, otherwise known as the "Salary Standardization Law of 2019," modifies the Salary Schedule for Civilian Personnel and authorizes the grant of additional benefits.

The modified Salary Schedule for Civilian Personnel shall be implemented in four (4) tranches, from FY 2020 to FY 2023.

RA No. 11466 also provides for grant of the Mid-Year Bonus as part of the Incentives under the Total Compensation Framework (TCF). Likewise, it states that the Program on Awards and Incentives for Service Excellence (PRAISE) instituted by the Civil Service Commission (CSC) pursuant to the provisions of Executive Order (EO) No. 292 (Administrative Code of 1987) shall be categorized under the Incentives component of the TCF.

2.0 Purpose

This Circular is issued to prescribe the guidelines, rules and regulations for the implementation of the first tranche of the modified Salary Schedule for Civilian Personnel and the grant of additional benefits stipulated in RA No. 11466.

¹ An Act Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits, and for Other Purposes

3.0 Coverage

The following are covered by this Circular:

- 3.1 All positions for salaried LGU personnel, whether regular, contractual, or casual in nature, appointive or elective, full-time or part-time, now existing or hereafter created in LGUs; and
- 3.2 All positions for *barangay* personnel which are paid monthly honoraria.

4.0 Exclusions

Excluded from the coverage of this Circular are those engaged without employer-employee relationship and funded from non-Personnel Services (PS) appropriations/budgets, as follows:

- 4.1 Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
- 4.2 Laborers engaged through job contracts (pakyaw) and those paid on piecework basis;
- 4.3 Student workers and apprentices; and
- 4.4 Individuals whose services are engaged through job orders, contracts of service, or others similarly situated.

5.0 Compensation System

The TCF established under Item 4 of Joint Resolution No. 4², s. 2009, consisting of the following components, shall continue to be adopted:

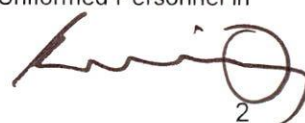
- 5.1 Basic Salaries including Step Increments;
- 5.2 Standard Allowances and Benefits;
- 5.3 Specific-Purpose Allowances and Benefits; and
- 5.4 Incentives.

6.0 Implementation of the First Tranche of the Modified Salary Schedule in LGUs Effective not Earlier than January 1, 2020

The implementation of the first tranche of the modified Salary Schedule in LGUs shall be subject to the authorization from the *Sanggunian* as provided under Sections 447(a), 458(a), and 468(a) of RA No. 7160, and the following conditions and considerations:

- 6.1 The new salary rates shall be in accordance with the First Tranche Monthly Salary Schedule for Local Government Personnel corresponding to the LGU level and income classification as presented in Annexes "A-1" to "A-8".

² Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for Other Purposes



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- 6.2 The PS limitation in LGU budgets under Sections 325(a) and 331(b) of RA No. 7160 shall be complied with.
- 6.3 If funds are insufficient to implement fully the salary schedule for the LGU level and income class, or for purposes of complying with the PS limitation, the *Sanggunian* may formulate a modified salary schedule with lower rates but at a uniform percentage of the rates in the applicable salary schedule in Annexes "A-1" to "A-8".
- 6.4 In the formulation of such salary schedule, LGUs shall ensure that they can fund on a sustainable basis the increased salaries, bonuses and incentives, including the government counterparts to the Retirement and Life Insurance Premiums, Pag-IBIG Contributions, PhilHealth Contributions, and Employees Compensation Insurance Premiums, taking into account the regular annual income of the LGU and its expenditure and investment programs.
- 6.5 The salaries of Public Health Workers (PHWs) shall be determined by the *Sanggunian* after considering and balancing the impact of the relevant provisions of RA No. 11466, RA No. 7160, and RA No. 7305³ dated March 26, 1992 on fiscal discipline, prioritization of expenditures, financial capability, and improvement of service delivery. The *Sanggunian* may adopt any of the following options:
- 6.5.1 Adopt the salary rates authorized for personnel of Special Cities/First Class Provinces and Cities (Annex "A-1") for the PHWs of the LGU.
- 6.5.2 If LGU funds are not sufficient, adopt a modified salary schedule for PHWs but at a uniform percentage of the salaries in Annex "A-1", similar to the percentage applied in Item 6.3 above.

7.0 Rules for Adjusting Salaries

The following rules shall apply in the implementation of the salary adjustment:

- 7.1 The salaries of incumbent personnel shall be adjusted to the rates in the salary schedule adopted by the LGU corresponding to the designated steps of the salary grade allocations of their positions as of December 31, 2019; provided that their positions and salary grades are in accordance with: (a) Local Budget Circular (LBC) No. 61⁴ dated March 18, 1996; (b) Item 1.2 of Budget Circular (BC) No. 2004-3⁵ dated March 6, 2004; and (c) Annex "B" of LBC No. 2009-92⁶ dated September 3, 2009.
- 7.2 If the actual monthly basic salary of an incumbent as of December 31, 2019 falls between steps of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of the service, the salary shall be adjusted to the rate for the higher step in the salary schedule to be adopted by the LGU (Illustrative example in Annex "C").

³ The Magna Carta of Public Health Workers

⁴ Revised Index of Occupational Services, Position Titles and Salary Grades (IOS) in the Local Government

⁵ Conversion of Positions Performing Staff/Non-Technical Functions

⁶ Implementation of the First Tranche Monthly Salary Schedule of Local Government Personnel and the Modified Position Classification System



- 7.3 If the actual monthly basic salary of an incumbent as of December 31, 2019 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of service:
- 7.3.1 The salary shall be adjusted to the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU; (Illustrative example in Annex "D").
- 7.3.2 The incumbent shall not be entitled to salary increase if the actual salary as of December 31, 2019 exceeds the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU (Illustrative example in Annex "E").
- 7.4 For incumbent personnel whose position titles are not in accordance with the Index under LBC No. 61 and modifications thereto, the salary adjustments shall be granted after their positions have been properly classified by the Department of Budget and Management (DBM) Regional Office concerned.
- 7.5 The salary of a new hire shall be the rate corresponding to Step 1 of the salary grade allocation of the position in the Salary Schedule to be adopted.
- 7.6 The salaries/wages of contractual/casual personnel shall be adjusted to the rates corresponding to Step 1 of the salary grade allocations of their positions in the applicable Salary Schedule in Annexes "A-1" to "A-8" effective not earlier than January 1, 2020. The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly salaries by 22 work days per month.
- 7.7 Compulsory retirees whose services have been extended beyond December 31, 2019 shall be entitled to salary increase following Items 7.1 to 7.4 of this Circular, whichever is applicable. However, their retirement benefits, including Terminal Leave Benefits, shall be computed based on their monthly basic salaries as of the day prior to the effectivity of their retirement, consistent with existing laws, rules, and regulations.

8.0 No Diminution in Basic Salaries

There shall be no diminution in the actual basic salaries received by the incumbents prior to the implementation of RA No. 11466 for purposes of complying with the PS limitation.

9.0 Honoraria Adjustments for Barangay Officials and Employees

- 9.1 The maximum honoraria rates prescribed for *barangay* officials and employees under LBC No. 63⁷ dated October 22, 1996 may be adjusted following the salary schedule adopted by the municipality or city where the *barangay* belongs, subject to the PS limitation under Section 331(b) of R.A. No. 7160.
- 9.2 If *barangay* funds are not sufficient and sustainable to implement the honoraria rates authorized under Item 9.1, the *Sangguniang Barangay* may adjust the honoraria at lower rates but at a uniform percentage of the rates in Item 9.1 for all *barangay* officials and employees.

⁷ Position Classification and Compensation of Barangay Officials and Personnel



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10.0 Mid-Year Bonus

As part of the Incentives under the TCF, the **Mid-Year Bonus** equivalent to one (1) month basic salary as of May 15 of a given year shall be granted to those who have rendered at least four (4) months of satisfactory service and are still in the service as of same date, to be given not earlier than May 15 of every year, subject to the rules and regulations provided under BC No. 2017-2⁸ dated May 8, 2017.

11.0 Year-End Bonus

11.1 The existing **Year-End Bonus** equivalent to one (1) month basic salary and Cash Gift of P5,000, which are categorized under the Standard Allowances and Benefits component of the TCF, shall be given in November of every year.

11.2 Barangay personnel may be given Year-End bonus based on the monthly honoraria as of October 31 of the year and Cash Gift of P5,000.

11.3 However, the minimum Year-End bonus of P1,000 for Punong Barangay and P600 for other mandatory barangay officials shall not be subject to PS limitation.

12.0 PRAISE

The **PRAISE** instituted by the CSC pursuant to the provisions of EO No. 292 stipulating the establishment of an employee suggestions and incentive awards system, shall be categorized under the Incentives component of the TCF. The guidelines on the monetary and/or non-monetary rewards for recognition of personnel under the PRAISE shall be issued by the CSC in consultation with the DBM.

13.0 Procedural Guidelines

13.1 The Human Resource Management Officer (HRMO)/Administrative Officer (AO) shall prepare Notices of Salary Adjustment (NOSAs) for incumbent civilian personnel following the format marked as Annex "B-1" or Annex "B-2", whichever is applicable, for approval by the Local Chief Executive.

For personnel whose actual monthly salaries as of December 31, 2019 exceed the rates corresponding to Step 8 of the salary grade allocations of their positions in the salary schedule adopted by the LGU, the HRMO/AO shall no longer prepare NOSAs.

13.2 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if they are members thereof.

13.3 The salary/honoraria adjustment under this Circular shall be subject to the usual accounting and auditing rules and regulations, and to appropriate re-adjustment if found not in order. The recipient personnel shall refund any overpayments received.

⁸ Rules and Regulations on the Grant of the Mid-Year Bonus for FY 2017 and Years Thereafter



14.0 Fund Source

14.1 The amounts required to implement the salary/honoraria and related fixed expenditure adjustments of LGU personnel shall be sourced exclusively from LGU funds, subject to the PS limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of RA No. 7160.

14.2 Such amounts shall be authorized through an appropriation ordinance to be enacted by the *Sangguniang Panlalawigan/Panlungsod/Bayan/ Barangay*.

15.0 Responsibilities of LGUs

LGUs shall be responsible for the implementation of the provisions of this Circular. The responsible officers shall be held liable for any payment of salary/honoraria adjustments not in accordance with the provisions hereof without prejudice to the refund by the employees concerned of any excess or unauthorized payments.

16.0 Resolution of Cases

Cases not covered by the provisions of this Circular shall be referred to the DBM for resolution.

17.0 Effectivity of Salary Increase

The First Tranche of the Modified Salary Schedule authorized for LGU personnel may be implemented not earlier than January 1, 2020, subject to the authorization from their respective *Sanggunian*.

18.0 Effectivity

This Circular shall take effect on January 1, 2020.


WENDEL E. AVISADO
Secretary



ANNEX "A-1"

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Special Cities and First Class Provinces and Cities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	11,551	11,647	11,745	11,843	11,942	12,042	12,143	12,244
2	12,276	12,369	12,464	12,560	12,657	12,754	12,852	12,950
3	13,019	13,119	13,220	13,322	13,424	13,527	13,631	13,736
4	13,807	13,914	14,020	14,128	14,236	14,345	14,456	14,567
5	14,641	14,754	14,867	14,981	15,096	15,212	15,329	15,446
6	15,524	15,643	15,763	15,884	16,007	16,129	16,253	16,378
7	16,458	16,585	16,713	16,841	16,970	17,101	17,231	17,364
8	17,505	17,663	17,823	17,984	18,146	18,310	18,476	18,643
9	18,784	18,941	19,100	19,259	19,420	19,582	19,746	19,911
10	20,219	20,388	20,558	20,731	20,903	21,079	21,254	21,432
11	22,316	22,600	22,889	23,181	23,477	23,778	24,082	24,391
12	24,495	24,779	25,067	25,358	25,653	25,952	26,254	26,560
13	26,754	27,067	27,383	27,703	28,028	28,356	28,688	29,025
14	29,277	29,621	29,969	30,322	30,678	31,039	31,405	31,775
15	32,053	32,431	32,814	33,202	33,594	33,991	34,393	34,801
16	35,106	35,522	35,943	36,369	36,801	37,238	37,681	38,128
17	38,464	38,922	39,385	39,854	40,329	40,810	41,296	41,789
18	42,159	42,662	43,172	43,687	44,210	44,739	45,274	45,816
19	46,791	47,530	48,281	49,044	49,820	50,608	51,410	52,224
20	52,703	53,537	54,386	55,248	56,125	57,016	57,921	58,841
21	59,353	60,296	61,255	62,229	63,220	64,226	65,249	66,289
22	66,867	67,933	69,017	70,118	71,237	72,375	73,531	74,705
23	75,359	76,563	77,788	79,034	80,324	81,635	82,967	84,321
24	85,074	86,462	87,874	89,308	90,766	92,248	93,753	95,283
25	96,985	98,568	100,176	101,811	103,473	105,162	106,879	108,623
26	109,593	111,381	113,200	115,047	116,925	118,833	120,772	122,744
27	123,839	125,861	127,915	130,003	132,125	134,281	136,473	138,701
28	139,939	142,223	144,544	146,903	149,300	151,738	154,215	156,731
29	158,131	160,712	163,335	166,001	168,710	171,464	174,262	177,107
30	178,688	181,604	184,568	187,581	190,642	193,754	196,916	200,130

ANNEX "A-2"

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Second Class Provinces and Cities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	10,973	11,065	11,158	11,251	11,345	11,440	11,536	11,632
2	11,662	11,751	11,841	11,932	12,024	12,116	12,209	12,303
3	12,368	12,463	12,559	12,656	12,753	12,851	12,949	13,049
4	13,117	13,218	13,319	13,422	13,524	13,628	13,733	13,839
5	13,909	14,016	14,124	14,232	14,341	14,451	14,563	14,674
6	14,748	14,861	14,975	15,090	15,207	15,323	15,440	15,559
7	15,635	15,756	15,877	15,999	16,122	16,246	16,369	16,496
8	16,630	16,780	16,932	17,085	17,239	17,395	17,552	17,711
9	17,845	17,994	18,145	18,296	18,449	18,603	18,759	18,915
10	19,208	19,369	19,530	19,694	19,858	20,025	20,191	20,360
11	21,200	21,470	21,745	22,022	22,303	22,589	22,878	23,171
12	23,270	23,540	23,814	24,090	24,370	24,654	24,941	25,232
13	25,416	25,714	26,014	26,318	26,627	26,938	27,254	27,574
14	27,813	28,140	28,471	28,806	29,144	29,487	29,835	30,186
15	30,450	30,809	31,173	31,542	31,914	32,291	32,673	33,061
16	33,351	33,746	34,146	34,551	34,961	35,376	35,797	36,222
17	36,541	36,976	37,416	37,861	38,313	38,770	39,231	39,700
18	40,051	40,529	41,013	41,503	42,000	42,502	43,010	43,525
19	44,451	45,154	45,867	46,592	47,329	48,078	48,840	49,613
20	50,068	50,860	51,667	52,486	53,319	54,165	55,025	55,899
21	56,385	57,281	58,192	59,118	60,059	61,015	61,987	62,975
22	63,524	64,536	65,566	66,612	67,675	68,756	69,854	70,970
23	71,591	72,735	73,899	75,082	76,308	77,553	78,819	80,105
24	80,820	82,139	83,480	84,843	86,228	87,636	89,065	90,519
25	92,136	93,640	95,167	96,720	98,299	99,904	101,535	103,192
26	104,113	105,812	107,540	109,295	111,079	112,891	114,733	116,607
27	117,647	119,568	121,519	123,503	125,519	127,567	129,649	131,766
28	132,942	135,112	137,317	139,558	141,835	144,151	146,504	148,894
29	150,224	152,676	155,168	157,701	160,275	162,891	165,549	168,252
30	169,754	172,524	175,340	178,202	181,110	184,066	187,070	190,124

ANNEX “A-3”

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Third Class Provinces and Cities and First Class Municipalities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	10,396	10,482	10,571	10,659	10,748	10,838	10,929	11,020
2	11,048	11,132	11,218	11,304	11,391	11,479	11,567	11,655
3	11,717	11,807	11,898	11,990	12,082	12,174	12,268	12,362
4	12,426	12,523	12,618	12,715	12,812	12,911	13,010	13,110
5	13,177	13,279	13,380	13,483	13,586	13,691	13,796	13,901
6	13,972	14,079	14,187	14,296	14,406	14,516	14,628	14,740
7	14,812	14,927	15,042	15,157	15,273	15,391	15,508	15,628
8	15,755	15,897	16,041	16,186	16,331	16,479	16,628	16,779
9	16,906	17,047	17,190	17,333	17,478	17,624	17,771	17,920
10	18,197	18,349	18,502	18,658	18,813	18,971	19,129	19,289
11	20,084	20,340	20,600	20,863	21,129	21,400	21,674	21,952
12	22,046	22,301	22,560	22,822	23,088	23,357	23,629	23,904
13	24,079	24,360	24,645	24,933	25,225	25,520	25,819	26,123
14	26,349	26,659	26,972	27,290	27,610	27,935	28,265	28,598
15	28,848	29,188	29,533	29,882	30,235	30,592	30,954	31,321
16	31,595	31,970	32,349	32,732	33,121	33,514	33,913	34,315
17	34,618	35,030	35,447	35,869	36,296	36,729	37,166	37,610
18	37,943	38,396	38,855	39,318	39,789	40,265	40,747	41,234
19	42,112	42,777	43,453	44,140	44,838	45,547	46,269	47,002
20	47,433	48,183	48,947	49,723	50,513	51,314	52,129	52,957
21	53,418	54,266	55,130	56,006	56,898	57,803	58,724	59,660
22	60,180	61,140	62,115	63,106	64,113	65,138	66,178	67,235
23	67,823	68,907	70,009	71,131	72,292	73,472	74,670	75,889
24	76,567	77,816	79,087	80,377	81,689	83,023	84,378	85,755
25	87,287	88,711	90,158	91,630	93,126	94,646	96,191	97,761
26	98,634	100,243	101,880	103,542	105,233	106,950	108,695	110,470
27	111,455	113,275	115,124	117,003	118,913	120,853	122,826	124,831
28	125,945	128,001	130,090	132,213	134,370	136,564	138,794	141,058
29	142,318	144,641	147,002	149,401	151,839	154,318	156,836	159,396
30	160,819	163,444	166,111	168,823	171,578	174,379	177,224	180,117

ANNEX “A-4”

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Fourth Class Provinces and Cities and Second Class Municipalities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,818	9,900	9,983	10,067	10,151	10,236	10,322	10,407
2	10,435	10,514	10,594	10,676	10,758	10,841	10,924	11,008
3	11,066	11,151	11,237	11,324	11,410	11,498	11,586	11,676
4	11,736	11,827	11,917	12,009	12,101	12,193	12,288	12,382
5	12,445	12,541	12,637	12,734	12,832	12,930	13,030	13,129
6	13,195	13,297	13,399	13,501	13,606	13,710	13,815	13,921
7	13,989	14,097	14,206	14,315	14,425	14,536	14,646	14,759
8	14,879	15,014	15,150	15,286	15,424	15,564	15,705	15,847
9	15,966	16,100	16,235	16,370	16,507	16,645	16,784	16,924
10	17,186	17,330	17,474	17,621	17,768	17,917	18,066	18,217
11	18,969	19,210	19,456	19,704	19,955	20,211	20,470	20,732
12	20,821	21,062	21,307	21,554	21,805	22,059	22,316	22,576
13	22,741	23,007	23,276	23,548	23,824	24,103	24,385	24,671
14	24,885	25,178	25,474	25,774	26,076	26,383	26,694	27,009
15	27,245	27,566	27,892	28,222	28,555	28,892	29,234	29,581
16	29,840	30,194	30,552	30,914	31,281	31,652	32,029	32,409
17	32,694	33,084	33,477	33,876	34,280	34,689	35,102	35,521
18	35,835	36,263	36,696	37,134	37,579	38,028	38,483	38,944
19	39,772	40,401	41,039	41,687	42,347	43,017	43,699	44,390
20	44,798	45,506	46,228	46,961	47,706	48,464	49,233	50,015
21	50,450	51,252	52,067	52,895	53,737	54,592	55,462	56,346
22	56,837	57,743	58,664	59,600	60,551	61,519	62,501	63,499
23	64,055	65,079	66,120	67,179	68,275	69,390	70,522	71,673
24	72,313	73,493	74,693	75,912	77,151	78,411	79,690	80,991
25	82,437	83,783	85,150	86,539	87,952	89,388	90,847	92,330
26	93,154	94,674	96,220	97,790	99,386	101,008	102,656	104,332
27	105,263	106,982	108,728	110,503	112,306	114,139	116,002	117,896
28	118,948	120,890	122,862	124,868	126,905	128,977	131,083	133,221
29	134,411	136,605	138,835	141,101	143,404	145,744	148,123	150,541
30	151,885	154,363	156,883	159,444	162,046	164,691	167,379	170,111

ANNEX "A-5"

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Fifth Class Provinces and Cities and Third Class Municipalities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,241	9,318	9,396	9,474	9,554	9,634	9,714	9,795
2	9,821	9,895	9,971	10,048	10,126	10,203	10,282	10,360
3	10,415	10,495	10,576	10,658	10,739	10,822	10,905	10,989
4	11,046	11,131	11,216	11,302	11,389	11,476	11,565	11,654
5	11,713	11,803	11,894	11,985	12,077	12,170	12,263	12,357
6	12,419	12,514	12,610	12,707	12,806	12,903	13,002	13,102
7	13,166	13,268	13,370	13,473	13,576	13,681	13,785	13,891
8	14,004	14,130	14,258	14,387	14,517	14,648	14,781	14,914
9	15,027	15,153	15,280	15,407	15,536	15,666	15,797	15,929
10	16,175	16,310	16,446	16,585	16,722	16,863	17,003	17,146
11	17,853	18,080	18,311	18,545	18,782	19,022	19,266	19,513
12	19,596	19,823	20,054	20,286	20,522	20,762	21,003	21,248
13	21,403	21,654	21,906	22,162	22,422	22,685	22,950	23,220
14	23,422	23,697	23,975	24,258	24,542	24,831	25,124	25,420
15	25,642	25,945	26,251	26,562	26,875	27,193	27,514	27,841
16	28,085	28,418	28,754	29,095	29,441	29,790	30,145	30,502
17	30,771	31,138	31,508	31,883	32,263	32,648	33,037	33,431
18	33,727	34,130	34,538	34,950	35,368	35,791	36,219	36,653
19	37,433	38,024	38,625	39,235	39,856	40,486	41,128	41,779
20	42,162	42,830	43,509	44,198	44,900	45,613	46,337	47,073
21	47,482	48,237	49,004	49,783	50,576	51,381	52,199	53,031
22	53,494	54,346	55,214	56,094	56,990	57,900	58,825	59,764
23	60,287	61,250	62,230	63,227	64,259	65,308	66,374	67,457
24	68,059	69,170	70,299	71,446	72,613	73,798	75,002	76,226
25	77,588	78,854	80,141	81,449	82,778	84,130	85,503	86,898
26	87,674	89,105	90,560	92,038	93,540	95,066	96,618	98,195
27	99,071	100,689	102,332	104,002	105,700	107,425	109,178	110,961
28	111,951	113,778	115,635	117,522	119,440	121,390	123,372	125,385
29	126,505	128,570	130,668	132,801	134,968	137,171	139,410	141,686
30	142,950	145,283	147,654	150,065	152,514	155,003	157,533	160,104

ANNEX “A-6”

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Sixth Class Provinces and Cities and Fourth Class Municipalities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,663	8,735	8,809	8,882	8,957	9,032	9,107	9,183
2	9,207	9,277	9,348	9,420	9,493	9,566	9,639	9,713
3	9,764	9,839	9,915	9,992	10,068	10,145	10,223	10,302
4	10,355	10,436	10,515	10,596	10,677	10,759	10,842	10,925
5	10,981	11,066	11,150	11,236	11,322	11,409	11,497	11,585
6	11,643	11,732	11,822	11,913	12,005	12,097	12,190	12,284
7	12,344	12,439	12,535	12,631	12,728	12,826	12,923	13,023
8	13,129	13,247	13,367	13,488	13,610	13,733	13,857	13,982
9	14,088	14,206	14,325	14,444	14,565	14,687	14,810	14,933
10	15,164	15,291	15,419	15,548	15,677	15,809	15,941	16,074
11	16,737	16,950	17,167	17,386	17,608	17,834	18,062	18,293
12	18,371	18,584	18,800	19,019	19,240	19,464	19,691	19,920
13	20,066	20,300	20,537	20,777	21,021	21,267	21,516	21,769
14	21,958	22,216	22,477	22,742	23,009	23,279	23,554	23,831
15	24,040	24,323	24,611	24,902	25,196	25,493	25,795	26,101
16	26,330	26,642	26,957	27,277	27,601	27,929	28,261	28,596
17	28,848	29,192	29,539	29,891	30,247	30,608	30,972	31,342
18	31,619	31,997	32,379	32,765	33,158	33,554	33,956	34,362
19	35,093	35,648	36,211	36,783	37,365	37,956	38,558	39,168
20	39,527	40,153	40,790	41,436	42,094	42,762	43,441	44,131
21	44,515	45,222	45,941	46,672	47,415	48,170	48,937	49,717
22	50,150	50,950	51,763	52,589	53,428	54,281	55,148	56,029
23	56,519	57,422	58,341	59,276	60,243	61,226	62,225	63,241
24	63,806	64,847	65,906	66,981	68,075	69,186	70,315	71,462
25	72,739	73,926	75,132	76,358	77,605	78,872	80,159	81,467
26	82,195	83,536	84,900	86,285	87,694	89,125	90,579	92,058
27	92,879	94,396	95,936	97,502	99,094	100,711	102,355	104,026
28	104,954	106,667	108,408	110,177	111,975	113,804	115,661	117,548
29	118,598	120,534	122,501	124,501	126,533	128,598	130,697	132,830
30	134,016	136,203	138,426	140,686	142,982	145,316	147,687	150,098

ANNEX "A-7"

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Fifth Class Municipalities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,086	8,153	8,222	8,290	8,359	8,429	8,500	8,571
2	8,593	8,658	8,725	8,792	8,860	8,928	8,996	9,065
3	9,113	9,183	9,254	9,325	9,397	9,469	9,542	9,615
4	9,665	9,740	9,814	9,890	9,965	10,042	10,119	10,197
5	10,249	10,328	10,407	10,487	10,567	10,648	10,730	10,812
6	10,867	10,950	11,034	11,119	11,205	11,290	11,377	11,465
7	11,521	11,610	11,699	11,789	11,879	11,971	12,062	12,155
8	12,254	12,364	12,476	12,589	12,702	12,817	12,933	13,050
9	13,149	13,259	13,370	13,481	13,594	13,707	13,822	13,938
10	14,153	14,272	14,391	14,512	14,632	14,755	14,878	15,002
11	15,621	15,820	16,022	16,227	16,434	16,645	16,857	17,074
12	17,147	17,345	17,547	17,751	17,957	18,166	18,378	18,592
13	18,728	18,947	19,168	19,392	19,620	19,849	20,082	20,318
14	20,494	20,735	20,978	21,225	21,475	21,727	21,984	22,243
15	22,437	22,702	22,970	23,241	23,516	23,794	24,075	24,361
16	24,574	24,865	25,160	25,458	25,761	26,067	26,377	26,690
17	26,925	27,245	27,570	27,898	28,230	28,567	28,907	29,252
18	29,511	29,863	30,220	30,581	30,947	31,317	31,692	32,071
19	32,754	33,271	33,797	34,331	34,874	35,426	35,987	36,557
20	36,892	37,476	38,070	38,674	39,288	39,911	40,545	41,189
21	41,547	42,207	42,879	43,560	44,254	44,958	45,674	46,402
22	46,807	47,553	48,312	49,083	49,866	50,663	51,472	52,294
23	52,751	53,594	54,452	55,324	56,227	57,145	58,077	59,025
24	59,552	60,523	61,512	62,516	63,536	64,574	65,627	66,698
25	67,890	68,998	70,123	71,268	72,431	73,613	74,815	76,036
26	76,715	77,967	79,240	80,533	81,848	83,183	84,540	85,921
27	86,687	88,103	89,541	91,002	92,488	93,997	95,531	97,091
28	97,957	99,556	101,181	102,832	104,510	106,217	107,951	109,712
29	110,692	112,498	114,335	116,201	118,097	120,025	121,983	123,975
30	125,082	127,123	129,198	131,307	133,449	135,628	137,841	140,091

ANNEX “A-8”

**First Tranche Monthly Salary Schedule for Local Government Personnel
In Sixth Class Municipalities
Effective Not Earlier Than January 1, 2020
(In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	7,508	7,571	7,634	7,698	7,762	7,827	7,893	7,959
2	7,979	8,040	8,102	8,164	8,227	8,290	8,354	8,418
3	8,462	8,527	8,593	8,659	8,726	8,793	8,860	8,928
4	8,975	9,044	9,113	9,183	9,253	9,324	9,396	9,469
5	9,517	9,590	9,664	9,738	9,812	9,888	9,964	10,040
6	10,091	10,168	10,246	10,325	10,405	10,484	10,564	10,646
7	10,698	10,780	10,863	10,947	11,031	11,116	11,200	11,287
8	11,378	11,481	11,585	11,690	11,795	11,902	12,009	12,118
9	12,210	12,312	12,415	12,518	12,623	12,728	12,835	12,942
10	13,142	13,252	13,363	13,475	13,587	13,701	13,815	13,931
11	14,505	14,690	14,878	15,068	15,260	15,456	15,653	15,854
12	15,922	16,106	16,294	16,483	16,674	16,869	17,065	17,264
13	17,390	17,594	17,799	18,007	18,218	18,431	18,647	18,866
14	19,030	19,254	19,480	19,709	19,941	20,175	20,413	20,654
15	20,834	21,080	21,329	21,581	21,836	22,094	22,355	22,621
16	22,819	23,089	23,363	23,640	23,921	24,205	24,493	24,783
17	25,002	25,299	25,600	25,905	26,214	26,527	26,842	27,163
18	27,403	27,730	28,062	28,397	28,737	29,080	29,428	29,780
19	30,414	30,895	31,383	31,879	32,383	32,895	33,417	33,946
20	34,257	34,799	35,351	35,911	36,481	37,060	37,649	38,247
21	38,579	39,192	39,816	40,449	41,093	41,747	42,412	43,088
22	43,464	44,156	44,861	45,577	46,304	47,044	47,795	48,558
23	48,983	49,766	50,562	51,372	52,211	53,063	53,929	54,809
24	55,298	56,200	57,118	58,050	58,998	59,961	60,939	61,934
25	63,040	64,069	65,114	66,177	67,257	68,355	69,471	70,605
26	71,235	72,398	73,580	74,781	76,001	77,241	78,502	79,784
27	80,495	81,810	83,145	84,502	85,881	87,283	88,707	90,156
28	90,960	92,445	93,954	95,487	97,045	98,630	100,240	101,875
29	102,785	104,463	106,168	107,901	109,662	111,452	113,270	115,120
30	116,147	118,043	119,969	121,928	123,917	125,940	127,995	130,085

For Regular Positions

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to Local Budget Circular No. ____ dated _____, implementing Republic Act No. _____ dated _____, your salary is hereby adjusted effective _____, as follows:

- 1. Adjusted monthly basic salary effective January 1, 2020, under the new Salary Schedule; SG ____, Step ____ P _____
- 2. Actual monthly basic salary as of December 31, 2019; SG ____, Step ____ P _____
- 3. Monthly salary adjustment effective January 1, 2020 (1-2) P _____

It is understood that this salary adjustment is subject to usual accounting and auditing rules and regulations, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Local Chief Executive

Position Title: _____
Salary Grade: _____
Item No., FY _____ Plantilla of Personnel: _____

Copy Furnished: GSIS

For Contractuals/Casuals

Notice of Salary Adjustment

Date: _____

_____:

Pursuant to Local Budget Circular No. ____ dated _____, implementing Republic Act No. _____ dated _____, your salary/daily wage is hereby adjusted effective _____, as follows:

- 1. Monthly basic salary/daily wage rate, under the new Salary Schedule; SG ____ P _____
- 2. Actual monthly basic salary/daily wage rate as of December 31, 2019; SG ____ P _____
- 3. Monthly salary/daily wage adjustment effective January 1, 2020 (1-2) P _____

It is understood that this salary/daily wage adjustment is subject to usual accounting and auditing rules and regulations, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Local Chief Executive

Position Title: _____
Salary Grade: _____
Item No., FY _____ Plantilla of Personnel: _____

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Illustrative Example

Rule: If the actual monthly basic salary of an incumbent as of December 31, 2019 falls between steps of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of the service, the salary shall be adjusted to the rate for the higher step in the salary schedule to be adopted by the LGU.

Scenario: An incumbent of Administrative Officer II/SG-11 in a 1st class province was demoted to Administrative Officer I/SG-10 due to exigency in service effective October 1, 2019. His salary for the position of Administrative Officer II/SG-11, Step 1 is P20,754; the authorized salary for the position of Administrative Officer I/SG-10, Step 1 is P19,233. Due to the non-diminution of pay, employee gets to keep his actual salary of P20,754.

His salary shall be adjusted to P20,903 (SG-10, Step 5) beginning January 2020 since the actual salary (P20,754) of the incumbent as of December 31, 2019 falls between Step 4 (P20,731) and Step 5 (P20,903) of SG-10 in the Salary Schedule under Annex "A-1" hereof.

Position Title	Effectivity Date	Legal Basis	Authorized Salary of Position (Step 1)	Actual Salary
Administrative Officer II/SG-11	January 1, 2019	LBC No. 118	P20,754	P20,754
Administrative Officer I/SG-10	October 1, 2019	Demotion due to the exigency of service	P19,233	P20,754
Administrative Officer I/SG-10	January 1, 2020	RA No. 11466	P20,219	P20,903 (Adjusted Salary = SG-10, 5 th step)

Illustrative Example

Rule: If the actual monthly basic salary of an incumbent as of December 31, 2019 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of service:

The salary shall be adjusted to the rate for Step 8 of the same salary grade of the position in the salary schedule to be adopted by the LGU.

Scenario: An incumbent of Senior Administrative Assistant (SAA) I (Data Controller IV)/ SG-13 of a 3rd class municipality was involuntarily demoted effective February 1, 2019 to Administrative Assistant (AA) VI (Computer Operator III)/ SG-12 due to the reorganization of the 3rd class municipality.

The employee's salary as SAA I was P21,205 (SG-13, Step 5); while the authorized salary for AA VI is P19,277 (SG-12, Step 5). Incumbent gets to receive the salary of P21,205 until December 31, 2019 due to non-diminution of pay.

Since the current actual salary of P21,205 exceeds the rate for SG-12, Step 8 (P20,002) in the salary schedule adopted in 2019, his rate shall be adjusted to P21,248 (SG-12, Step 8) not earlier than January 1, 2020 of the Salary Schedule under Annex "A-5" hereof.

Position Title	Effectivity Date	Legal Basis	Authorized Salary of Position (Step 5)	Actual Salary
Senior Administrative Assistant I/SG-13	January 1, 2019	LBC No. 118	P21,205	P21,205
Administrative Assistant VI/SG-12	February 1, 2019	Demotion due to the exigency of service	P19,277	P21,205
Administrative Assistant VI/SG-12	January 1, 2020	RA No. 11466	P20,522	P21,248 (Adjusted Salary = SG-12, 8 th step)

Illustrative Example

Rule: If the actual monthly basic salary of an incumbent as of December 31, 2019 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of service:

The incumbent shall not be entitled to salary increase if the salary as of December 31, 2019 exceeds the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU.

Scenario: An incumbent of Administrative Assistant III (Secretary II)/SG-9 in a 2nd class municipality was transferred effective July 1, 2019 to a new office in the same LGU due to phasing out or abolition of his old organizational office. His new position effective July 1, 2019 is Administrative Aide IV/ SG-4.

The employee's salary as Administrative Assistant III is P16,196 (SG-9, Step-8); the authorized salary for Administrative Aide IV is P11,850 (SG-4, Step 8). He will continue to receive his salary of P16,196 for 2019 due to involuntary demotion.

Beginning January 1, 2020, the incumbent may no longer be entitled to salary increase since his present actual salary (P16,196) is already higher than the rate provided for SG-4, Step 8 (P12,382) of the Salary Schedule under Annex "A-4" hereof.

Position Title	Effectivity Date	Legal Basis	Authorized Salary of Position (Step 8)	Actual Salary
Administrative Assistant III/SG-9	January 1, 2019	LBC No. 118	P16,196	P16,196 (Step 8)
Administrative Aide IV/SG-4	July 1, 2019	Transfer and involuntary demotion	P11,850	P16,196
Administrative Aide IV/SG-4	January 1, 2020	RA No. 11466	P12,382	P16,196 (Exceeds Step 8 of SG-4)