Tanggapan ng Kalihim
Office of the Secretary

APR 1 8 2005

DepED MEMORANDUM
No. 122, s. 2005

RULES AND REGULATIONS ON THE COMPUTATION OF THE SALARIES, WAGES, AND OTHER COMPENSATION FOR THE MONTHS OF APRIL AND MAY 2005 IN RELATION TO ADMINISTRATIVE ORDER (AO) NO. 117

To: Undersecretaries
       Assistant Secretaries
       Bureau Directors
       Directors of Services, Centers and Heads of Units
       Regional Directors
       Schools Division/City Superintendents
       Chiefs of Divisions
       All Others Concerned

1.   For the information and guidance of all concerned, enclosed is a copy of Department of Budget and Management (DBM) Budget Circular No. 2005-2, dated April 1, 2005, re: "Rules and Regulations on the Computation of the Salaries, Wages, and Other Compensation for the Months of April and May 2005 in Relation to Administrative Order No. 117.

2.   Wide dissemination of and compliance with this Memorandum is desired.

FLORENCIO B. ABAD
Secretary

Encl.: as stated
Reference: None
Allotment: 1--(D.O. 50-97)
To be indicated in the Perpetual Index
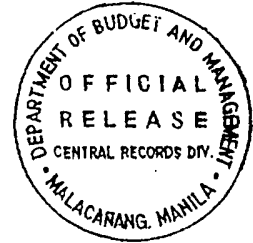   under the following subjects:

EMPLOYEES   LEGISLATIONS   OFFICIALS
RULES AND REGULATIONS   SALARY

Reformatted by: Sally (AO No. 117)
April 11, 2005

REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Building I, General Solano Street, San Miguel, Manila

BUDGET CIRCULAR

No. 2005-2

April 1, 2005

TO	:	HEADS OF NATIONAL GOVERNMENT AGENCIES (NGAs), INCLUDING STATE UNIVERSITIES AND COLLEGES (SUCs), GOVERNMENT–OWNED AND/OR -CONTROLLED CORPORATIONS (GOCCs), AND GOVERNMENT FINANCIAL INSTITUTIONS (GFIs); LOCAL GOVERNMENT UNITS (LGUs); AND ALL OTHERS CONCERNED
SUBJECT	:	RULES AND REGULATIONS ON THE COMPUTATION OF THE SALARIES, WAGES, AND OTHER COMPENSATION FOR THE MONTHS OF APRIL AND MAY 2005 IN RELATION TO ADMINISTRATIVE ORDER (AO) NO. 117

1.0 Purpose

This Circular is issued to provide the rules and regulations relative to the computation of the salaries, wages, Personnel Economic Relief Allowance (PERA), Additional Compensation (ADCOM) and other allowances paid to government employees in line with the implementation of AO No. 117, "Providing for Adjusted Official Hours in Departments, Bureaus, Offices and Other Agencies in the Executive Branch, Including Government-Owned and Controlled Corporations, for the Months of April and May 2005," dated March 28, 2005.

2.0 Coverage

2.1 This Circular shall apply to all employees of the Executive Branch of government, including SUCs, GOCCs and GFIs, which will adopt the adjusted official work hours.

2.2 The provisions of this Circular shall likewise cover the employees of the Legislative and Judicial Branches, Constitutional Commissions, and LGUs if they adopt the four-day workweek provided under AO No. 117.

3.0 Exemption

This Circular shall not apply to the following:

3.1 Military personnel of the Armed Forces of the Philippines under the Department of National Defense;

3.2 Uniformed personnel of the Philippine National Police, Bureau of Jail Management and Penology and Bureau of Fire Protection under the Department of the Interior and Local Government, and uniformed personnel of the Philippine Coast Guard under the Department of Transportation and Communications;

3.3 Employees of the Bureau of Internal Revenue and Bureau of Customs;

3.4 Employees of government hospitals and health centers, public schools and universities with previously set summer classes, and other government agencies rendering vital and frontline services or those involved in providing health, safety, security, protection, emergency and other services that need to be available on a continuing basis; and

3.5 Individuals whose services are hired not as part of the regular workforce and such hiring bears no employee-employer relationship, like consultants and experts, contract workers hired by piecework ("pakyaw"), student laborers and apprentices, and others similarly situated.

4.0 Salaries/Wages

4.1 The monthly rates contained in the Salary Schedule under National Budget Circular No. 474 dated June 15, 2001, shall remain constant. The daily and hourly rates, however, shall be converted in view of the change in the total number of work days in a month, from 22 days to 17.6 days, and in the total number of work hours per day, from 8 hours to 10 hours. The adjusted total work days in a month was derived as follows:

$$\text{Adjusted total work days in a month} = \left(\frac{22 \text{ work days in a month as prescribed in Republic Act No. 6758}}{5 \text{ work days per week}} \right) \times \left(\text{adjusted 4 work days per week} \right)$$

$$= 17.6 \text{ days}$$

4.2 Annex A shall be used as reference in determining the daily rates of employees of agencies which will adopt the adjusted official work hours for April and May 2005.

4.3 To determine the hourly rates, the daily rates in Annex A shall be divided by 10 hours.

4.4 The total wage per month for a casual employee shall be computed by multiplying the applicable daily rate in Annex A with the total number of days he/she actually worked.

4.5 The daily rates in Annex A shall not be used in computing retirement gratuities, terminal leave benefits, and monetization of leave credits.

5.0 Overtime Service

5.1 To achieve the main objective of AO No. 117 that the government leads the way in energy conservation, overtime work should be avoided, except when absolutely necessary as may be determined by the agency head who may further issue additional related guidelines.

Continued Adoption of Austerity Measures in the Government) dated August 31, 2004, and in accordance with the guidelines provided under the Department of Budget and Management and Civil Service Commission Joint Circular No. 2 dated October 4, 2004. If overtime services with pay is authorized as an exemption from AO No. 103, the rules and regulations under Budget Circular No. 10 dated March 29, 1996, shall apply.

6.0 PERA, ADCOM and Other Allowances

The daily or hourly rates for the PERA, ADCOM and other allowances of a government employee shall be computed as follows:

$$\text{PERA or ADCOM or any other allowance} = \left(\frac{\text{monthly rate}}{(17.6 \text{ days}) (10 \text{ hrs/day})}\right) \times \left(\begin{array}{c}\text{no. of hours worked}\\ \text{during the month}\end{array}\right)$$

The PERA, ADCOM and other allowances for the month shall not exceed the authorized monthly rate.

7.0 Night-Shift Differential Pay

The Night-Shift Differential Pay authorized under BC No. 8, series of 1995, is applicable only to employees who work during the night shift of agencies required to provide 24-hour service. It shall not apply to the regular work performed after 6 PM of employees of agencies adopting the four-day workweek.

8.0 Applicability to LGUs

LGUs that opt to adopt the four-day workweek prescribed in AO No. 117 shall likewise adopt the formula contained in 4.1 and 6.0 hereof.

9.0 Responsibility of the Head of Agency

The head of agency shall be held responsible and personally liable for any payment of salaries/wages and other compensation not in accordance with the provisions of this Circular, without prejudice, however, to the refund of any excess payment by the employee concerned.

10. Effectivity

This Circular shall take effect on April 4, 2005 until May 31, 2005.

MARIO L. RELAMPAGOS
Acting Secretary

Salary Schedule (Monthly/Daily) for the Months of April and May 2005

Step 1 Monthly	Step 1 Daily	Step 2 Monthly	Step 2 Daily	Step 3 Monthly	Step 3 Daily	Step 4 Monthly	Step 4 Daily	Step 5 Monthly	Step 5 Daily	Step 6 Monthly	Step 6 Daily	Step 7 Monthly	Step 7 Daily	Step 8 Monthly	Step 8 Daily	SG
5,082	288.75	5,209	295.97	5,339	303.35	5,473	310.97	5,610	318.75	5,750	326.70	5,894	334.89	6,041	343.24	1
5,540	314.77	5,678	322.61	5,820	330.68	5,968	338.98	6,114	347.39	6,267	356.08	6,424	365.00	6,585	374.15	2
6,039	343.13	6,189	351.65	6,343	360.40	6,503	369.49	6,664	378.64	6,832	388.18	7,001	397.78	7,177	407.78	3
6,522	370.57	6,684	379.77	6,851	389.26	7,022	398.98	7,198	408.98	7,376	419.09	7,562	429.88	7,751	440.40	4
7,043	400.17	7,219	410.17	7,398	420.40	7,584	430.91	7,774	441.70	7,968	452.73	8,167	464.03	8,375	475.85	5
7,609	432.16	7,798	442.95	7,982	454.09	8,191	465.40	8,398	477.05	8,608	488.98	8,821	501.19	9,042	513.75	6
8,139	462.44	8,341	473.92	8,550	485.80	8,764	497.95	8,984	510.45	9,207	523.13	9,438	536.25	9,675	549.72	7
8,709	494.83	8,928	507.18	9,149	519.83	9,378	532.84	9,612	546.14	9,852	559.77	10,099	573.81	10,351	588.13	8
9,318	529.43	9,551	542.67	9,790	556.25	10,035	570.17	10,288	584.43	10,542	598.98	10,807	614.03	11,075	629.28	9
9,939	564.72	10,188	578.86	10,442	593.30	10,704	608.18	10,971	623.35	11,246	638.98	11,527	654.94	11,815	671.31	10
10,535	598.58	10,798	613.52	11,068	628.86	11,344	644.55	11,629	660.74	11,920	677.27	12,218	694.20	12,522	711.48	11
11,167	634.49	11,446	650.34	11,733	666.65	12,028	683.30	12,328	700.34	12,635	717.90	12,950	735.80	13,274	754.20	12
11,838	672.56	12,134	689.43	12,436	706.59	12,747	724.26	13,065	742.33	13,393	760.97	13,728	780.00	14,070	799.43	13
12,547	712.84	12,861	730.74	13,182	748.98	13,512	767.73	13,850	786.93	14,196	806.59	14,551	826.76	14,914	847.39	14
13,299	755.68	13,632	774.55	13,873	793.92	14,322	813.75	14,680	834.09	15,048	855.00	15,423	876.31	15,810	898.30	15
14,098	801.02	14,450	821.02	14,811	841.53	15,183	862.67	15,561	884.15	15,951	909.31	16,350	928.98	16,758	952.16	16
14,944	849.09	15,317	870.28	15,700	892.05	16,092	914.32	16,498	937.27	16,908	960.68	17,331	984.72	17,764	1,009.32	17
15,841	900.06	16,237	922.56	16,643	945.63	17,059	969.26	17,486	993.52	17,922	1,018.30	18,371	1,043.81	18,830	1,069.89	18
16,792	954.09	17,211	977.90	17,641	1,002.33	18,083	1,027.44	18,535	1,053.13	18,998	1,079.43	19,473	1,106.42	19,959	1,134.03	19
17,799	1,011.31	18,244	1,036.59	18,699	1,062.44	19,168	1,089.09	19,647	1,116.31	20,138	1,144.20	20,641	1,172.78	21,158	1,202.16	20
18,511	1,051.70	18,974	1,078.07	19,448	1,105.00	19,934	1,132.61	20,432	1,160.91	20,942	1,189.89	21,467	1,219.72	22,003	1,250.17	21
19,251	1,083.81	19,732	1,121.14	20,225	1,149.15	20,731	1,177.90	21,250	1,207.39	21,781	1,237.56	22,325	1,268.47	22,883	1,300.17	22
20,020	1,137.50	20,521	1,165.97	21,035	1,195.17	21,561	1,225.06	22,098	1,255.57	22,652	1,287.05	23,218	1,319.20	23,799	1,352.22	23
20,823	1,183.13	21,343	1,212.67	21,877	1,243.01	22,423	1,274.03	22,985	1,305.97	23,559	1,338.58	24,148	1,372.05	24,752	1,406.38	24
21,656	1,230.40	22,197	1,261.19	22,751	1,292.67	23,321	1,325.06	23,903	1,358.13	24,501	1,392.10	25,113	1,426.88	25,742	1,462.61	25
22,521	1,279.60	23,084	1,311.59	23,662	1,344.43	24,253	1,378.01	24,859	1,412.44	25,480	1,447.73	26,118	1,483.98	26,771	1,521.08	26
23,422	1,330.80	24,008	1,364.09	24,609	1,398.24	25,223	1,433.13	25,853	1,468.92	26,500	1,505.68	27,162	1,543.30	27,842	1,581.93	27
24,359	1,384.03	24,969	1,418.64	25,593	1,454.15	26,232	1,490.45	26,887	1,527.67	27,559	1,565.85	28,249	1,605.08	28,955	1,645.17	28
25,333	1,439.38	25,967	1,475.40	26,615	1,512.22	27,281	1,550.06	27,964	1,588.86	28,663	1,628.58	29,379	1,669.28	30,113	1,710.97	29
28,875	1,640.63	29,597	1,681.65	30,338	1,723.75	31,095	1,766.76	31,873	1,810.97	32,670	1,856.25	33,486	1,902.61	34,323	1,950.17	30
40,425	2,298.88	41,436	2,354.32	42,471	2,413.13	43,533	2,473.47	44,621	2,535.28	45,737	2,598.69	46,880	2,663.64	48,052	2,730.23	31
46,200	2,625.00	47,355	2,690.63	48,539	2,757.90	49,753	2,826.88	50,996	2,897.50	52,271	2,969.94	53,578	3,044.20	54,917	3,120.28	32
57,750	3,281.25															33