



Republic of the Philippines
Department of Education
Region VII – CENTRAL VISAYAS
SCHOOLS DIVISION OF BOHOL

Office of the Schools Division
Superintendent

January 4, 2021

Division Memorandum
No. **002**, s. 2021

TO : Public Schools District Supervisors
Secondary School Principals
Secondary School Financial Staff
Others Concerned

SUBJECT : **PROCEDURES AND DOCUMENTARY REQUIREMENTS ON THE GRANT OF GRATUITY PAY FY 2020 TO CONTRACT OF SERVICE AND JOB ORDER WORKERS IN THE GOVERNMENT**

1. On December 28, 2020, President Rodrigo R. Duterte signed Administrative Order No. 38 entitled "Authorizing the Grant of Gratuity Pay Fiscal Year 2020 to Contract of Service and Job Order Workers in the Government" (see Annex A).
2. This AO provides that all JO/COS who have rendered a total or an aggregate of four (4) months of actual satisfactory performance of service, as stipulated in their respective contracts, as of 15 December 2020, and whose contract are still effective as of 28 December 2020, may be granted a one-time Gratuity Pay not exceeding Three Thousand Pesos (P3,000.00). Those who have rendered less than four months of actual satisfactory performance of service, as stipulated in their respective contracts, as of 15 December 2020, and whose contract are still effective as of 28 December 2020, may be granted a one-time Gratuity Pay, on a pro-rata basis, as follows:

Length of Service	Amount of Gratuity Pay
3 months or more but less than 4 months	P 2,000.00
2 months or more but less than 3 months	P 1,500.00
Less than 2 months	Not exceeding P 1,000.00

3. COA-DBM Joint Circular No. 2 s. 2020 (see Annex B) defined contract of service and job order as follows:

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.

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.

4. In order to determine the total amount payable to these workers, each District Offices through the District Bookkeepers shall submit on or before January 6, 2021 (Thursday) the following documentary requirements to DepEd Bohol Budget Office through its email address depedboholbudget@gmail.com for consolidation of total funding requirement for the whole SDO:
 - i. Payroll of Entitled Personnel (Consolidated by District) – See Annex C
 - ii. Contract Agreement FY 2020 between the worker and the school head

Kindly submit the ecopy of the Contract using scanner or *Camscanner* saved in Portable Document Format (PDF). JPEG images shall not be accepted. While the payroll shall be through MS Excel file format.

For the SDO Proper, the Division Payroll Services Unit (DPSU) shall prepare the payroll for its JO/COS.

5. Only JO/COS personnel paid through the MOOE are entitled to claim the one-time Gratuity Pay.
6. There will be no extension on the deadline set. This is to ensure that the DO will have sufficient to time to obligate the payables and request for NCA to the Department of Budget and Management (DBM).
7. The release of the gratuity pay shall be announced in a separate memorandum.
8. JO/COS under Implementing Units (IUs) shall be paid through the available allotment of their schools, being financially independent operating units. The school bookkeepers of the IUs shall facilitate the obligation of the gratuity pay and the payment thereof when the NCA is already available either through common-fund system or a separate funding request to DBM.
9. For information, guidance and strict compliance.


BIANITO A. DAGATAN, Ed.D. CESO V
School Division Superintendent





MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 38

**AUTHORIZING THE GRANT OF GRATUITY PAY FOR
FISCAL YEAR 2020 TO CONTRACT OF SERVICE AND JOB ORDER
WORKERS IN GOVERNMENT**

WHEREAS, Section 18, Article II of the Constitution declares it a policy of the State to affirm labor as a primary social economic force, and to promote the welfare of workers;

WHEREAS, various government agencies have engaged workers under contract of service (COS) and job order (JO) schemes;

WHEREAS, the Commission on Audit (COA)-Department of Budget and Management (DBM) Joint Circular (JC) No. 2 (s. 2020) or the "Updated Rules and Regulations Governing COS and JO Workers in the Government," prescribes the existing policies and guidelines on the engagement of services of these workers;

WHEREAS, COS and JO workers in the government are paid salaries/wages equivalent to the daily salaries/wages of comparable positions in government and a premium of up to 20% of such salary/wage. However, they do not enjoy benefits accorded to government employees such as the Personnel Economic Relief Allowance, Mid-Year and Year-End Bonuses and Performance-Based Bonus among others, considering that they have no employer-employee relationship with the government;

WHEREAS, granting a year-end Gratuity Pay to COS and JO workers is a well-deserved recognition of their hard work in implementing programs, projects and activities, including those which are part of the emergency COVID-19 response efforts of the government;

WHEREAS, COS and JO workers, together with other government personnel, are required by their respective agencies to report for work regardless of the varying forms of community quarantine to ensure the continuous and responsive delivery of government services;

WHEREAS, COA-DBM JC No. 1 (s. 2020) or the "Interim Guidelines Governing COS and JO Workers in Government for the Duration of the State of Calamity and Community Quarantine Due to Corona Virus Disease," integrates the work schedule of COS and JO workers in the alternative work arrangements adopted by various government agencies during the period of implementation of community quarantine;

THE PRESIDENT OF THE PHILIPPINES

WHEREAS, Administrative Order No. 20 (s. 2020) authorized the grant of Gratuity Pay to JO and COS workers in government for fiscal year (FY) 2019; and

WHEREAS, Section 17, Article VII of the Constitution vests the President with control over all the executive departments, bureaus and offices;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Grant of Gratuity Pay. All workers whose services are engaged through COS and JO, who have rendered a total or an aggregate of at least four (4) months of actual satisfactory performance of services, as stipulated in their respective contracts, as of 15 December 2020, and whose contracts are still effective as of same date, may be granted a one-time Gratuity Pay not exceeding Three Thousand Pesos (P3,000) each.

Those who have rendered less than four (4) months of actual satisfactory performance of service, as stipulated in their respective contracts, as of 15 December 2020, and whose contracts are still effective as of same date, may also be granted the one-time Gratuity Pay, on a pro rata basis, as follows:

Length of Service	Amount of Gratuity Pay
3 months or more but less than 4 months	Not exceeding P2,000
2 months or more but less than 3 months	Not exceeding P1,500
Less than 2 months	Not exceeding P1,000

For purposes of this Order, actual service shall refer to services rendered on-site, i.e., the COS and JO workers physically report for work at their designated stations. Subject to the discretion of the Agency Head and the availability of funds, services rendered by COS and JO workers offsite during the period of community quarantine, i.e., work from home arrangement, may also be considered as actual service.

SECTION 2. Coverage. This Order shall cover workers whose services are engaged through COS and JO by national government agencies (NGAs), state universities and colleges (SUCs), government-owned or -controlled corporations (GOCCs) and local water districts (LWDs).

SECTION 3. Funding Source. Funds needed to implement this Order shall be chargeable against the following sources:

- a. For NGAs and SUCs, against their respective available Maintenance and Other Operating Expenses (MOOE) allotment for the same program, activity or project (P/A/P) where the compensation of workers engaged through COS and JO are sourced, subject to approval of the Agency Head;
- b. In case of deficiency, the agencies may request the DBM for additional funds charged against their identified savings generated from the entirety of their respective MOOEs, subject to approval of the President pursuant to pertinent

provisions of Republic Act No. 11465 or the "FY 2020 General Appropriations Act (GAA)," and existing laws and issuances, and

- c. For GOCCs and LWDs, against their respective approved corporate operating budgets.

SECTION 4. Use of Savings. Requests for the use of savings under Section 3(a) hereof shall be submitted by NGAs and SUCs to the DBM not later than five (5) working days from the effectivity of this Order, for endorsement to the Office of the President. All such requests shall be supported by the following documents:

- a. Report on the number and names of workers engaged through COS and JO qualified for Gratuity Pay, as certified by the head of the human resource management unit and endorsed by the Department Secretary or Agency Head concerned; and
- b. Certification from the budget officer that the required amount from the existing MOOE allotment is free from any obligation and may be declared as savings pursuant to Section 67 of the General Provisions of the FY 2020 GAA, to cover the funding requirements for the grant of Gratuity Pay, likewise endorsed by the Department Secretary or Agency Head concerned.

The DBM shall release the corresponding Special Allotment Release Order and Notice of Cash Allocation, as needed, upon approval of the President.

SECTION 5. Grant of Gratuity Pay in Local Government Units (LGUs). LGUs are encouraged to adopt in their respective offices the grant of Gratuity Pay to workers whose services are engaged through COS and JO, utilizing appropriate and available funding sources from their respective local government funds.


SECTION 6. Repeal. All orders, rules and regulations and other issuances or parts thereof, which are inconsistent with this Order are hereby revoked, amended or modified accordingly.

SECTION 7. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 8. Effectivity. This Order shall take effect immediately.

DONE in the City of Manila, this 28th day of December in the year of Our Lord, Two Thousand and Twenty.

By the President:


SALVADOR C. MEDIALDEA
Executive Secretary

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**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. 9184¹ 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;

¹ 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 law², 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 latter³.

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 applicable⁴, 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.

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

³ Section 53.7, Revised IRR of RA No. 9184, Highly Technical Consultants

⁴ 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)



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

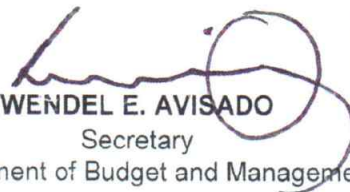
All issuances, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Joint Circular are hereby repealed or modified accordingly.

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

