



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

**Office of the Schools Division  
Superintendent**

December 29, 2022

**DIVISION MEMORANDUM**

No. 0824 s. 2022

To : Public Schools District Supervisors  
Elementary & Secondary School Heads  
Finance Personnel  
Others Concerned

Subject: **PROCEDURES AND DOCUMENTARY REQUIREMENTS ON THE GRANT OF GRATUITY PAY FY 2022 TO CONTRACT OF SERVICE (CO) AND JOB ORDER (JO) WORKERS IN THE GOVERNMENT**

1. Administrative Order No. 03, s. 2022 authorizes the grant of the one-time Gratuity Pay not exceeding Five Thousand Pesos (P5,000.00) for each qualified worker whose services are directly engaged through COS and JO. Moreover, DBM Budget Circular No. 2022-5 dated December 28, 2022, provides the necessary supplemental guidelines for the effective implementation of the Order.
2. The grant shall be subject to the following conditions:
  - a. The COS/JO worker have rendered a total or an aggregate of at least four (4) months of actual satisfactory performance of service, as stipulated in their respective contracts, as of December 15, 2022; and
  - b. The contracts of the COS/JO workers are still effective as of December 15, 2022
3. Institutional COS workers (those with contractor/service provider/agency employment) are excluded from receiving this grant. Their company shall be responsible for providing compensation and benefits compliant with existing labor law, including necessary social security and other benefits mandated by law (Sec. 4.0 of AO 03). These includes janitorial, security, and other general services wherein the office has a contract agreement with the private agency.
4. Those who have rendered less than four (4) months of actual satisfactory performance service, as stipulated in their respective contracts, as of December 15, 2022, and whose contracts are still effective as of same date, shall be granted Gratuity Pay, on a pro rata basis, as follows:

<b>Length of Service</b>	<b>Amount of Gratuity Pay</b>
3 months but less than 4 months	Not exceeding P 4,000
2 months but less than 3 months	Not exceeding P 3,000
Less than 2 months	Not exceeding P 2,000



5. To determine the total amount payable to these workers, each Districts through their respective Administrative Officer II, shall submit on or before January 5, 2023 (Thursday) the following documentary requirements through e-mail at [depedboholbudget@gmail.com](mailto:depedboholbudget@gmail.com) for consolidation of total funding requirement for the whole SDO:
  - a. Payroll of Entitled Personnel (Consolidated by District – both Elementary and Non-IUs Secondary Schools) – in excel template
  - b. Employment Contract for CY 2022 (duly notarized) – scanned copy

For SDO Proper JO/CO workers, the DPSU shall prepare the payroll.

6. Only COS/JO workers paid through the SDO or school MOOE are entitled to claim the one-time Gratuity Pay.
7. There will be no extension on the deadline set. This is to ensure that the SDO will have sufficient time to obligate the payables.
8. COS/JO workers of Implementing Units shall be paid through the available funds of their schools.
9. For information, guidance, and strict compliance.

Attached:

*Administrative Order No. 03 s. 2022*  
*DBM Budget Circular No. 2022-5, s. 2022*

  
**BIANITO A. DAGATAN, EdD, CESO V**  
Schools Division Superintendent

*budgetunit/mvj*



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MALACAÑAN PALACE  
MANILA

**BY THE PRESIDENT OF THE PHILIPPINES**

**ADMINISTRATIVE ORDER NO. 03**

**AUTHORIZING THE GRANT OF GRATUITY PAY TO  
CONTRACT OF SERVICE AND JOB ORDER WORKERS IN  
GOVERNMENT FOR FISCAL YEAR 2022**

**WHEREAS**, various government agencies engage the services of workers under contract of service (COS) and job order (JO) schemes to support the implementation of their respective programs, projects, and activities;

**WHEREAS**, under the Commission on Audit (COA) and Department of Budget and Management (DBM) Joint Circular (JC) No. 02 (s. 2022), departments/agencies may engage the services of new COS/JO workers through individual contracts and renew the individual contracts of their existing COS/JO workers until 31 December 2024;

**WHEREAS**, while COS and JO workers in the government are paid salaries/wages equivalent to those received by personnel occupying comparable positions in government and a premium of up to 20% of such salary/wage, they do not enjoy benefits accorded to regular government employees as 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, and pivotal role in the delivery of government services amidst the ongoing COVID-19 pandemic and present socio-economic challenges;

**WHEREAS**, Administrative Order No. 46 (s. 2021) authorized the grant of Gratuity Pay to COS and JO workers in government for Fiscal Year (FY) 2021; and

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

**NOW, THEREFORE, I, FERDINAND R. MARCOS, JR.**, President 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 in National Government Agencies and Instrumentalities.** 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 service, as stipulated in their respective contracts, as of 15 December

THE PRESIDENT OF THE PHILIPPINES

2022, and whose contracts are still effective as of the same date, may be granted a one-time Gratuity Pay not exceeding Five Thousand Pesos (₱5,000) 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 2022, 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:

<b>Length of Service</b>	<b>Amount of Gratuity Pay</b>
3 months but less than 4 months	Not exceeding ₱4,000
2 months but less than 3 months	Not exceeding ₱3,000
Less than 2 months	Not exceeding ₱2,000

For purposes of this Order, actual service shall refer to services rendered on-site. However, subject to the discretion of the Agency Head and the availability of funds, services rendered by COS and JO workers under any alternative work arrangements prescribed under COA-DBM JC No. 01 (s. 2022) may also be considered as actual service.

**Section 2. Coverage.** This Order shall cover workers whose services are directly 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 Sources.** 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.

In case of deficiency, agencies may modify the allotment issued within a P/A/P, subject to approval by the Agency Head or the Department of Budget and Management (DBM), as the case may be, pursuant to the rules on the modification in allotments under Section 78 of the General Provisions of Republic Act No. 11639 or the "FY 2022 General Appropriations Act (GAA)," and existing laws and issuances; or submit a request to augment actual deficiencies from savings in other P/A/Ps, subject to approval of the President, in accordance with rules on use of savings and augmentation under Sections 75 and 76 of the General Provisions of the FY 2022 GAA, and existing laws and issuances; and

- b. 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 Sections 75 and 77 of the General Provisions of the FY 2022 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 enjoined 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.

The corresponding supplemental budget for the purpose shall be enacted by the local *sanggunian* concerned within FY 2022.

**Section 6. Supplemental Guidelines.** As may be necessary, the DBM shall issue supplemental guidelines for the effective implementation of this Order.

**Section 7. 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 8. Separability.** If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**Section 9. Effectivity.** This Order shall take effect immediately.

**DONE**, in the City of Manila, this 23<sup>rd</sup> day of December, in the year of our Lord, Two Thousand and Twenty-Two.



By the President:



LUCAS P. BERSAMIN  
Executive Secretary





REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



**BUDGET CIRCULAR**

No. 2022 - 5  
December 28, 2022

**TO :** Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including Constitutional Offices Enjoying Fiscal Autonomy; State Universities and Colleges (SUCs); Government-Owned or -Controlled Corporations (GOCCs); Local Water Districts (LWDs); Local Government Units (LGUs); and All Others Concerned

**SUBJECT :** Guidelines on the Grant of the Gratuity Pay to Contract of Service (COS) and Job Order (JO) Workers in Government for FY 2022

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**1.0 Background**

- 1.1 Administrative Order (AO) No. 03<sup>1</sup>, s. 2022 authorizes the grant of the one-time Gratuity Pay not exceeding Five Thousand Pesos (₱5,000) for each qualified worker whose services are directly engaged through COS and JO.

For this purpose, the Department of Budget and Management (DBM) is directed to issue the necessary supplemental guidelines for the effective implementation of said Order.

- 1.2 While the COS and JO workers are paid salaries/wages equivalent to those received by personnel occupying comparable positions in government and a premium of up to 20% of such salary/wage, they do not enjoy benefits accorded to regular government employees such as Personnel Economic Relief Allowance, and Mid-Year and Year-End Bonuses as they have no employer-employee relationship with the government.

For that reason, the grant of 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, as well as pivotal role in the delivery of government services amidst the ongoing COVID-19 pandemic and present socio-economic challenges.

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<sup>1</sup> Authorizing the Grant of Gratuity Pay to Contract of Service and Job Order Workers in Government for Fiscal Year 2022

## 2.0 Purpose

This Circular is issued to provide the policy and procedural guidelines on the grant of the Gratuity Pay for FY 2022 pursuant to AO No. 03, s. 2022.

## 3.0 Coverage

This Circular covers all COS and JO workers whose services are directly engaged by Departments, Bureaus, Offices, and Agencies of the National Government, including Constitutional Offices enjoying fiscal autonomy, SUCs, GOCCs, and LWDs.

## 4.0 Exclusions

Institutional COS workers assigned in government agencies are excluded from the coverage of the Circular.

Consistent with existing guidelines, the contractor or service provider shall be responsible for providing the institutional COS workers with compensation and benefits compliant with existing labor law, including the necessary social security and other benefits mandated by law.

## 5.0 Guidelines on the Grant of Gratuity Pay

5.1 The grant of the one-time **Gratuity Pay** to COS and JO workers, not exceeding **₱5,000.00** per person, shall be subject to the following conditions:

5.1.1 The COS and JO workers have rendered a total or an aggregate of at least four (4) months of actual satisfactory performance of service, as stipulated in their respective contracts, as of December 15, 2022; and

5.1.2 The contracts of the COS and JO workers are still effective as of December 15, 2022.

5.2 Those who have rendered less than four (4) months of actual satisfactory performance of service, as stipulated in their respective contracts, as of December 15, 2022, and whose contracts are still effective as of same date, shall be granted the Gratuity Pay, on a *pro rata* basis, as follows:

<b>Length of Service</b>	<b>Amount of Gratuity Pay</b>
3 months but less than 4 months	Not exceeding ₱4,000
2 months but less than 3 months	Not exceeding ₱3,000
Less than 2 months	Not exceeding ₱2,000

5.3 For purposes of this Circular, actual service shall refer to services rendered on-site, i.e., the COS and JO workers are physically reporting for work at their respective work stations.

Subject to the discretion of the Agency Head and the availability of funds, services rendered by the COS and JO workers under any of the

alternative work arrangements prescribed under COA-DBM Joint Circular No. 1, s. 2022 may also be considered as actual service.

## **6.0 Fund Sources**

6.1 For national government agencies (NGAs), including SUCs, the Gratuity Pay shall be charged 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 the approval by the Agency Head.

6.1.1 In case of deficiency, the agencies may:

6.1.1.1 Modify the allotment issued within a P/A/P subject to approval by the Agency Head or the DBM, as the case may be, pursuant to the rules on the modification in the allotments under Section 78 of the General Provisions of Republic Act No. 11639 or the "FY 2022 General Appropriations Act (GAA)", and existing laws and issuances; or

6.1.1.2 Submit a request to augment actual deficiencies from savings in other P/A/Ps, subject to approval of the President, in accordance with the rules on use of savings and augmentation under Sections 75 and 76 of the General Provisions of the FY 2022 GAA, and existing laws and issuances.

6.2 For GOCCs and LWDs, the Gratuity Pay shall be charged against their respective approved corporate operating budgets.

## **7.0 Use of Savings**

7.1 Requests for use of savings under Item 6.1.1 of this Circular shall be submitted by the NGAs and SUCs to the DBM not later than five (5) working days from the effectivity of the AO, together with the following supporting documents:

7.1.1 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

7.1.2 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 Sections 75 and 77 of the General Provisions of the FY 2022 GAA, to cover the funding requirements for the grant of the Gratuity Pay, likewise endorsed by the Department Secretary or Agency Head concerned.



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

#### **8.0 Grant of Gratuity Pay in Local Government Units (LGUs)**

LGUs are enjoined to adopt in their respective offices the grant of the Gratuity Pay to workers whose services are engaged through COS and JO, utilizing appropriate and available funding sources from their respective local government funds.

The corresponding supplemental budget for the purpose shall be enacted by the local *Sanggunian* within FY 2022.

#### **9.0 Reportorial Requirements**

Each NGA and SUC shall submit online to the DBM's Budget and Management Bureau or Regional Office concerned not later than January 31, 2023, the annual report on the grant of the Gratuity Pay by following the template in Annex "A."

In this regard, the NGAs and SUCs shall encode the required details/information, as well as upload the scanned copy of the report using the following link <https://dbm.gov.ph/add-gratuity-pay-report>.

Agencies are enjoined to fully abide by the aforementioned reportorial requirements. The Budget and Management Bureau or Regional Office concerned shall ensure compliance of the agencies with the reportorial requirements set forth in this Circular.

#### **10.0 Responsibility of Agency Heads**

Agency heads and accountable officers shall be responsible for the proper implementation of the provisions of this Circular in their respective offices. They shall be held administratively, civilly, and/or criminally liable, as the case may be, for any payment of the Gratuity Pay not in accordance with the provisions of this Circular, without prejudice to refund by the employees concerned of any unauthorized or excess payment thereof.

#### **11.0 Repealing Clause**

All existing circulars or issuances on the grant of the Gratuity Pay, which are inconsistent herewith, are hereby repealed or modified accordingly.

#### **12.0 Effectivity**

This Circular shall take effect immediately.

  
**AMENAH F. PANGANDAMAN**  
Secretary

**Report on the Payment  
of Gratuity Pay For FY 2022**

**Department/Agency:** \_\_\_\_\_

**I. If Gratuity Pay Was Granted**

**Total Amount Paid for the Gratuity Pay:**

Number of Qualified Personnel		
Contract of Service		XXX
Job Order		XXX
Total		XXXX
Rate of Gratuity Pay		_____

**Fund Sources:**

Program/Activity/Project	Object of Expenditure	
_____	_____	XXX
_____	_____	XXX
_____	_____	XXX
_____	_____	XXX
_____	_____	XXX
Total Amount Paid		XXXX

**II. If the Gratuity Pay Was Not Granted**

Please state reason/s for non-grant

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Submitted by:**

**Certified Correct:**

\_\_\_\_\_  
Head, Finance/Administrative Unit

\_\_\_\_\_  
Agency Head