



Republic of the Philippines
Department of Education
REGION VII – CENTRAL VISAYAS
Schools Division of Bohol

Office of the Schools
Division Superintendent

January 4, 2026

DIVISION MEMORANDUM
No. **004**, s. 2026

**SUBMISSION OF DOCUMENTS FOR THE RELEASE OF GRATUITY
PAY TO CONTRACT OF SERVICE AND JOB ORDER WORKERS FOR
FY 2025**

To:

Public Schools District Supervisors / OIC PSDSs
Public Elementary and Secondary School Heads
Administrative Officers II
Senior Bookkeepers
All Others Concerned

1. Pursuant to **Administrative Order No. 39, s. 2025**, entitled “*Authorizing the Grant of Gratuity Pay to Contract of Service (COS) and Job Order (JO) Workers in the Government for Fiscal Year 2025,*” and **Budget Circular No. 2025-4** dated December 16, 2025, regarding the grant of gratuity pay to COS and JO workers for FY 2025 (Annex A), this Office announced during the **December 15, 2025 Monthly Executive Conference** the directive for all School Heads and Bookkeepers to facilitate the submission of required data through the Finance-provided link: <https://tinyurl.com/2025-COACOSmonitoring>.
2. A new link has been created to summarize the generated data: <https://tinyurl.com/2025BoholListofCOS> School Heads and Bookkeepers are instructed to update the data by **January 6, 2026, at 5:00 PM**. Please note that failure to submit data will result in **no gratuity allocation** being released. The same link was also disseminated through the PSDS and Bookkeepers’ group chats.
3. Based on the data submitted, all identified recipient schools are hereby directed to upload a copy of the **Contract of Service** to the Google Drive link: <https://tinyurl.com/SDOBohol2025Gratuityreference>, as a requirement for the actual release of gratuity pay through **Cash Advances** to be downloaded to the schools’ checking accounts.
 - o File naming format: **DistrictName_SchoolName**
 - o Upload must be done **per district** in the corresponding folder



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- **Deadline of submission:** *January 8, 2026*
- 4. Upon release of the gratuity pay to the respective COS and JO workers, the following documents shall be submitted:
 - 1. Signed copy of the Contract of Service
 - 2. Certification from the District Administrative Officer confirming that the listed workers are qualified and entitled to receive the gratuity pay in accordance with **Administrative Order No. 39, s. 2025**
 - 3. Certification from the District Administrative Officer confirming that the listed workers have **not** been granted gratuity pay from the School MOOE funds and from other funds.
- 5. School Heads shall ensure the release of funds in strict accordance with **Budget Circular No. 2025-4** (Guidelines on the Grant of the Gratuity Pay to COS and JO Workers in Government for FY 2025).
- 6. The said funds shall be downloaded within the month of January upon submission of the required copy of Contract of Service. **Liquidation reports** must be submitted to the Division Office on or before **February 27, 2026**.
- 7. Immediate and wide dissemination of this Memorandum is requested, with strict compliance from all concerned.


FAY C. LUAREZ, EdD, PhD.TM, CESO VI
Schools Division Superintendent 



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

BUDGET CIRCULAR

No. 2025 - 4
 December 16, 2025

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including Constitutional Offices Enjoying Fiscal Autonomy, State Universities and Colleges (SUCs), and 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 the Contract of Service (COS) and Job Order (JO) Workers in Government for FY 2025

1.0 Background

- 1.1 Administrative Order (AO) No. 39, s. 2025¹ authorizes the grant of a one-time Gratuity Pay not exceeding **Seven Thousand Pesos (P7,000)** for each qualified worker whose services are directly engaged on a COS or JO basis.

For this purpose, pursuant to Section 7 of AO No. 39, s. 2025, 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 COS and JO workers may be paid salaries or wages equivalent to those received by personnel occupying comparable positions in government and a premium of up to 20% of such salary or wage, they do not enjoy the benefits accorded to regular government employees such as the Mid-Year and Year-End Bonuses, Performance-Based Bonus, and Personnel Economic Relief Allowance.

Accordingly, granting a year-end Gratuity Pay to the COS and JO workers is a well-deserved recognition of their hard work and valuable participation in the implementation of various government programs, activities, and projects (P/A/Ps) of the government, and their pivotal role in the delivery of government services amidst the present socio-economic challenges.

¹ Authorizing the Grant of Gratuity Pay to Contract of Service and Job Order Workers in Government for Fiscal Year 2025

2.0 Purpose

This Circular is issued to provide the policy and procedural guidelines on the grant of the Gratuity Pay for FY 2025 pursuant to AO No. 39, s. 2025.

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 the 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 the COS and JO workers, not exceeding **Seven Thousand Pesos (P7,000.00)** 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, 2025; and

5.1.2 The contracts of the COS and JO workers are still effective as of December 15, 2025.

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, 2025, and whose contracts are still effective as of the same date, may also be granted the Gratuity Pay, on a *pro-rata* basis, as follows:

Length of Service	Amount of Gratuity Pay
3 months but less than 4 months	Not exceeding Six Thousand Pesos (P6,000)
2 months but less than 3 months	Not exceeding Five Thousand Pesos (P5,000)
Less than 2 months	Not exceeding Four Thousand Pesos (P4,000)

- 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 workstations.

However, 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 Section 6.1 of Commission on Audit-DBM Joint Circular No. 1, s. 2022² may also be considered as actual service.

6.0 Fund Sources

- 6.1 For national government agencies (NGAs) and SUCs, the amount required shall be charged against their respective available Maintenance and Other Operating Expenses (MOOE) allotment for the same P/A/P where the compensation of the COS and JO workers are sourced, subject to approval by the Agency Head.

6.1.1 In case of deficiency, 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 modification in the allotment under Section 80 of the General Provisions of Republic Act (RA) No. 12116 or the "*General Appropriations Act (GAA) for FY 2025*", and existing laws, rules and regulations, and other issuances; or

6.1.1.2 Submit a request to augment actual deficiencies from savings in other P/A/Ps, subject to the approval by the President, in accordance with the rules on use of savings and augmentation under Sections 76, 77, 78, and 79 of the General Provisions of RA No. 12116, and existing laws and issuances.

- 6.2 For GOCCs and LWDs, the amount required shall be charged against their respective approved corporate operating budgets.

7.0 Use of Savings

- 7.1 Requests for the 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, for endorsement to the Office of the President, together with the following supporting documents:

7.1.1 Report on the number and names of workers directly engaged through the COS and JO schemes who are qualified for the Gratuity Pay, as certified by the head of the human resource management unit and endorsed by the Department Secretary or Agency Head; 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 77 and 79 of the General Provisions of RA No. 12116, to cover the funding requirements for the grant of the Gratuity Pay, likewise endorsed by the Department Secretary or Agency Head.

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 the Gratuity Pay in Local Government Units (LGUs)

LGUs are encouraged to adopt in their respective offices the grant of the FY 2025 Gratuity Pay to workers whose services are engaged on a COS or JO basis, utilizing appropriate and available funding sources from their respective local government funds.

The corresponding supplemental budget (SB) for the purpose shall be enacted by the local *Sanggunian* concerned, chargeable against the available FY 2025 appropriations or surplus.

In case the LGU fails to enact an SB within FY 2025, the LGU concerned may enact an SB in the ensuing year, provided that the (i) SB shall be charged against the LGU's reverted and unused prior year's surplus, subject to compliance with the provisions of RA No. 7160 or the "Local Government Code of 1991", as amended, and pertinent laws, rules, and regulations, (ii) prior year's surplus is backed by cash, and (iii) annual budget for FY 2026 is already approved.

9.0 Payment Date

The payment of Gratuity Pay to the qualified COS and JO workers in government for FY 2025 shall be made not earlier than December 15, 2025.

10.0 Reportorial Requirements

Each NGA and SUC shall submit not later than January 31, 2026 the 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://forms.dbm.gov.ph/index.php/submit-gratuity-pay-report>.

Agencies are enjoined to fully abide by the aforementioned reportorial requirements. The DBM Budget and Management Bureaus/Regional Offices concerned shall ensure strict compliance of the agencies with the reportorial requirements set forth in this Circular.

11.0 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.

For reference, **Annex B** contains illustrative examples of scenarios involving the grant of the FY 2025 Gratuity Pay.

12.0 Repealing Clause

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

13.0 Effectivity

This Circular shall take effect immediately.



ROLANDO U. TOLEDO
Acting Secretary



Report on the Payment of the FY 2025 Gratuity Pay

Department/Agency: _____

I. If the Gratuity Pay was Granted:

Number of Qualified Workers:

Contract of Service	XXX
Job Order	XXX
Total	XXX

Amount of Gratuity Pay Granted by the Agency

	No. of Workers			Total
	COS	JO		
₱4,000 and below	XXX	XXX	XXX	
₱4,001-P5,000	XXX	XXX	XXX	
₱5,001-P6,000	XXX	XXX	XXX	
₱6,001-P6,999	XXX	XXX	XXX	
₱7,000	XXX	XXX	XXX	
Total	XXX	XXX	XXX	

Fund Source

Object of Expenditure	Amount
	XXX
	XXX
	XXX
	XXX
Total	XXX

II. If the Gratuity Pay was Not Granted:

Please state reasons for non-grant

Submitted by:

Certified Correct:

Head, Finance/Administrative Unit_____
Agency Head

Illustrative Examples

1. An agency engaged the services of a contract of service (COS) worker for a one-year project (January 1 to December 31, 2025).

The project was completed on December 5, 2025, and the service of the COS worker ended on the same date. Throughout the project duration, the performance of the COS worker was rated "Very Satisfactory".

While the COS worker met the required four (4) months of actual satisfactory performance of service during the year, his contract was no longer effective as of December 15, 2025.

*This, the COS worker is **not** entitled to the FY 2025 Gratuity Pay.*

2. The COS worker was engaged by the agency for a period of six (6) months (July 1 to December 31, 2025). The COS worker did not finish her contract as she was appointed to a permanent Plantilla position in the same agency on December 1, 2025, and assumed the duties of the position on December 2, 2025.

*The COS worker is **not** entitled to the FY 2025 Gratuity Pay as her contract as COS worker ended upon her appointment to, and subsequent assumption of the duties of the permanent position.*

3. The COS worker was initially engaged as a data processor for a period of six months (January 1 to June 30, 2025). Thereafter, his service was engaged by the same agency as computer programmer for another period of six months (July 1 to December 31, 2025). He consistently received a "Very Satisfactory" performance rating.

*The COS worker is **entitled** to the FY 2025 Gratuity Pay as he met the required service and performance requirements, and his contract remained valid as of December 15, 2025.*

4. A government agency resorted to the outsourcing of its janitorial and custodial services. There are 53 Utility Workers and Security Guards deployed in the government agency by the contractor/service provider.

*The 53 Utility Workers and Security Guards are **not** entitled to the FY 2025 Gratuity Pay as they remain to be employees of the contractor/service provider, despite their deployment in the government agency.*