



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

**Office of the Schools
Division Superintendent**

June 18, 2026

DIVISION MEMORANDUM

No. 384, s. 2026

**RELEASE OF SALARIES OF CONTRACT OF SERVICE (COS) PERSONNEL FOR
JUNE–DECEMBER 2026**

To:

Public Schools District Supervisors
School Principals/Heads
Administrative Officers II
Senior Bookkeepers
All Others Concerned

1. Pursuant to Division Memorandum No. 195, s. 2026 dated March 11, 2026, and Division Memorandum No. 317, s. 2026 dated May 11, 2026, this Office announces the release of funds for the salaries of Contract of Service (COS) personnel assigned in schools. Funds shall be downloaded to the existing accounts of Non-Implementing Unit (Non-IU) Schools on a quarterly basis.
2. The fund releases for Calendar Year (CY) 2026 shall be scheduled as follows:
 - o **First Download** – Salary for June 2026
 - o **Second Download** – Salaries for July to September 2026, including the corresponding premium for June 2026
 - o **Third Download** – Salaries for October to November 2026, together with the corresponding premiums for July to November 2026, to be released in December 2026

Submission of liquidation reports shall remain on a monthly basis. Any excess amount from the second and third fund releases shall be deducted from subsequent downloads. Excess funds from the fourth quarter shall be remitted to the Bureau of the Treasury (BTr) through the submission of Annex G on or before December 20, 2026.

3. For Implementing Unit Schools (IUS) maintaining accounts with the Land Bank of the Philippines (LBP), the processing and release of salaries for COS personnel shall be undertaken by the Division Office. COS personnel must submit all required documents, including their Development Bank of the Philippines (DBP) account number, through their respective Bookkeeper or Administrative Officer II (AO II). Funds intended for COS personnel in IUS serviced by DBP shall be transferred quarterly to the school's



Address: 0050 Lino Chatto Barangay Cogon,
Tagbilaran City, Bohol
Telephone No.:
email Address: deped.bohol@deped.gov.ph
www.depedbohol.org



Deped Tayo Bohol Division





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 REGION VII – CENTRAL VISAYAS
Schools Division of Bohol

Modified Disbursement System (MDS) account, subject to the submission of liquidation transmittals to the Commission on Audit (COA).

4. In compliance with Memorandum DM-OUHROD-2026-0095 and CSC-COA-DBM Joint Circular No. 1, s. 2025 (Annex A), School Heads shall ensure that all COS personnel submit either BIR Form 1901 or BIR Form 1905 duly validated by Revenue District Office (RDO) No. 84.
5. All COS personnel are likewise required to accomplish and submit the Sworn Declaration (Annex B-2) to the BIR at least fifteen (15) days before the processing of their initial salary.
6. Failure to submit the required Sworn Declaration shall result in the automatic application of the following taxes:
 - o 3% Percentage Tax
 - o 10% Expanded Withholding Tax (EWT)

These taxes shall apply regardless of whether the employee's annual income has reached the ₱250,000 exemption threshold.

For COS personnel who have submitted the Sworn Declaration, the applicable taxes shall be:

A. Graduated Income Tax Rate

Income Source	Percentage Tax	EWT
Lone Income Payor	3%	None
Several Income Payors	3%	2%

B. 8% Income Tax Rate

Income Source	Percentage Tax	EWT
Lone Income Payor	None	None
Several Income Payors	None	2%

COS personnel who opted for the 8% Income Tax Rate and have only one income payor shall not be subject to Percentage Tax and EWT, provided they comply with all BIR requirements.

7. The monthly compensation of all renewed and newly hired COS personnel shall be **₱20,000.00**. Salaries shall be released monthly upon completion of the actual services rendered for the month.



Address: 0050 Lino Chatto Barangay Cogon,
 Tagbilaran City, Bohol
 Telephone No.:
 email Address: deped.bohol@deped.gov.ph
www.depedbackol.org





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8. Deductions for unauthorized absences, tardiness, or undertime shall be computed based on the corresponding daily, hourly, or per-minute rate derived from the monthly salary.

Sample Computation:

- Monthly Salary: ₱20,000.00
- Daily Rate = Monthly Salary ÷ Number of Working Days
- Daily Rate = ₱20,000.00 ÷ 22 days = ₱909.09
- Hourly Rate = Daily Rate ÷ 8 hours
- Hourly Rate = ₱909.09 ÷ 8 = ₱113.64 per hour

No deductions shall be made for regular holidays and special non-working days.

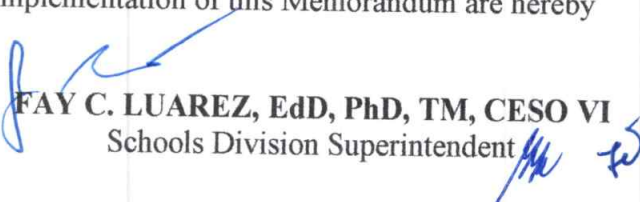
9. Premiums shall be computed at ten percent (10%) of the actual monthly salary earned and shall be subject to applicable withholding taxes.
10. In the release of salaries to COS personnel:

- The COS personnel shall be indicated as the payee in the cheque and Disbursement Voucher.
- The COS personnel must personally acknowledge receipt by signing the relevant documents.
- Reimbursement of salary payments is strictly prohibited.

The following documents shall be attached to the liquidation report:

- a. Daily Time Record (DTR)
- b. Copy of the notarized Service Agreement
- c. Accomplishment Report

11. All concerned personnel are advised to review Memorandum DM-OUHROD-2026-0095 and CSC-COA-DBM Joint Circular No. 1, s. 2025 for guidance and compliance.
12. Immediate dissemination and strict implementation of this Memorandum are hereby directed.


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



Republic of the Philippines
Department of Education
REGION VII - CENTRAL VISAYAS



Office of the Regional Director

REGIONAL MEMORANDUM

No. **0120** s. 2026

11 FEB 2026

**GUIDELINES ON THE RENEWAL AND HIRING OF SCHOOL-BASED ADMINISTRATIVE
SUPPORT STAFF UNDER CONTRACT OF SERVICE OF FY 2026**

To: Schools Division Superintendents
Assistant Schools Division Superintendents
HRMOs
All Others Concerned

1. This Office is hereby disseminating the enclosed Memorandum DM-OUHROD-2026-0095 titled "Guidelines on the Renewal and Hiring of School-Based Administrative Support Staff under Contract of Service for FY 2026."
2. For more details, kindly refer to the attached communication.
3. Immediate dissemination of this Memorandum is desired.


SALUSTIANO T. JIMENEZ JD, EdD, CESO III
Director IV
Regional Director

STJ/FYA/ASD/IFC/arc



Doña M. Gaisano St., Sudlon, Lahug, Cebu City
Telephone Number: (032) 256-9466/639773295904 local 700



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Republika ng Pilipinas

Department of Education

OFFICE OF THE UNDERSECRETARY

HUMAN RESOURCE AND ORGANIZATIONAL DEVELOPMENT



SED-DM-2026-18

RS 2026-1096

DEPARTMENT OF EDUCATION RECEIVED	
RECORDS SECTION, REGIONAL OFFICE NO. VII	
20 JAN 2026	
BY: 9	TIME:

MEMORANDUM
DM-OUHROD-2026-0095

TO : REGIONAL DIRECTORS
SCHOOLS DIVISION SUPERINTENDENTS
SCHOOL HEADS
ALL OTHERS CONCERNED

FROM : WILFREDO E. CABRAL
*Undersecretary for Human Resource and
Organizational Development and Infrastructure*

E-signed by
Wilfredo Cabral
1/19/2026, 11:08:39 AM

**SUBJECT : GUIDELINES ON THE RENEWAL AND HIRING OF SCHOOL-
BASED ADMINISTRATIVE SUPPORT STAFF UNDER CONTRACT
OF SERVICE FOR FY 2026**

DATE : January 16, 2026

In support of DepEd Order No. 002, s. 2024 "Immediate Removal of Administrative Tasks of Public School Teachers" and to ensure no disruption of day-to-day school operations, the Department shall continue to **download additional Maintenance and Other Operating Expenses (MOOE)** for the **renewal and hiring of School-based Administrative Support Staff under Contract of Service (CoS)**.

In this regard, the field offices are instructed to adhere to the following guidelines and procedures:

I. List of Eligible Schools

- A. There shall be no changes to the list of eligible schools. The list of schools per Schools Division Office (SDO) can be accessed through this link: <https://bit.ly/ListofEligibleSchools>.
- B. In compliance with CSC-COA-DBM Joint Circular No. 1, s. 2025, only eligible schools with an existing CoS personnel whose contract is effective until December 31, 2025 shall be allowed to renew such contract or hire a replacement.
- C. The schools that were allocated with CoS personnel due to utilization of savings from the downloaded FY 2025 MOOE are not covered in the list of eligible schools.

II. Terms of Reference

A. The Administrative Support Staff under the CoS engagement shall provide assistance to the school in the delivery of prompt and quality administrative and clerical support in accordance with the Department's policies and procedures. The position shall be under the direct supervision of the School Head. The following are their specific duties and responsibilities:

- Provide overall administrative and clerical support to the School Head and other school personnel in the daily operations of the school;
- Assist the School Head in preparing and conducting programs, projects, and activities; and
- Perform other administrative and clerical assistance as may be determined by the School Head.

B. The minimum qualifications for the administrative support staff are as follows:

- **Education:** At least Junior High School graduate
- **Training:** None Required
- **Experience:** None Required
- **Eligibility:** None Required

Other qualifications:

- Able to prepare templated reports
- Computer literate preferably in MS Office Suite
- Can operate office equipment (e.g., printers, fax machines, photocopiers, etc.)

III. Funding Source, Downloading, and Use of Additional MOOE

A. The additional MOOE shall be sourced from any excess funds or remaining balances from the downloaded FY 2025 GMS-MOOE for the same purpose, the FY 2026 GMS-MOOE of the Central Office, and/or other funding sources that the Central Office may identify as necessary and applicable. The field offices are instructed to fully utilize the excess funds or balances prior to charging any requirements against the FY 2026 funds to be downloaded.

The downloading of additional MOOE shall commence upon approval of the FY 2026 General Appropriation Act (GAA) and issuance of the National Budget Circular for the Guidelines on the Release of Funds for FY 2026. Hence, the CoS personnel to be renewed or hired shall be advised that the release of their initial salary may be affected by this timeline. Nonetheless, the Central Office shall exhaust all measures to expedite the downloading of funds.

B. The funds shall be downloaded to the Regional Offices (ROs). The ROs shall further download the funds to SDOs based on the **Allocation list** attached as **Annex A**.



- C. The additional MOOE shall be used as payment of monthly salary covering the entire duration of the service agreement, including premium of the Administrative Support Staff. The use of funds herein shall be in accordance with existing budgeting, accounting, and auditing laws, rules, and regulations.
- D. A separate issuance shall be released to guide the field offices in the utilization of any **balances or excess funds from the downloaded MOOE.**

IV. Renewal of Service Agreement

For incumbents who shall continue to render their services, the following guidelines and procedures shall be observed:

- A. The SDO, in coordination with the concerned School Heads, shall determine the performance of the CoS personnel in the accomplishment of school deliverables that are specified in their Terms of Reference (ToR), as may be reflected in the RPMS IPCRF or other established mechanisms accounting for performance of personnel. In the absence of an accomplished RPMS IPCRF or any other established mechanisms, an incumbent cannot renew his/her service agreement.
- B. The School Head shall prepare and submit the **Authority to Renew, Service Agreement, ToR**, and other hiring documents for processing by the SDO.
- C. The SDO – Administrative Unit (Personnel Section) shall review the accuracy and completeness of the submitted documents. After a thorough review, the documents shall be forwarded to the Office of the Schools Division Superintendent (SDS) for approval.
- D. The SDS shall evaluate and sign the service agreement. Once the service agreement is approved, the CoS personnel shall be responsible for having their service agreement notarized.

V. New Hires

In cases where there shall be changes in the incumbents, the following guidelines and procedures shall be observed to facilitate **hiring for replacement**:

- A. The SDO – Human Resource Management Office (SDO-HRMO) shall post the job vacancy for Administrative Support Staff (CoS) for at most 10 calendar days.
- B. The School Head, in coordination and consultation with the SDO-HRMO, shall conduct the assessment process for qualified applicants such as review of the curriculum vitae, interviews, etc. It is also the responsibility of the School Head to evaluate the results of the assessment.
- C. The School Head shall prepare and submit the following:
 - 1. Authority to Hire



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2. Accomplished Terms of Reference (ToR)
 3. Signed Service Agreement
 4. Updated and Notarized Personal Data Sheet (PDS) (CSC Form No. 212, Revised 2017)
 5. Curriculum Vitae (CV)
 6. Transcript Of Records
 7. Certificate of Training (if applicable)
 8. Birth Certificate issued by Philippine Statistics Authority (PSA)
 9. BIR Tax Identification No. (TIN)
- *Items 4-9 shall be submitted by the applicant to the School Head.*

Note: The recommended CoS for hiring should sign the ToR and Service Agreement before the School Head submits them to the SDO. However, the recommended CoS must be informed that their application is still subject to approval of the SDS.

- D. The SDO – Administrative Unit (Personnel Section) shall review the accuracy and completeness of the submitted documents. After a thorough review, the documents shall be forwarded to the Office of the SDS for approval.
- E. The SDS shall evaluate and sign the service agreement once reviewed and approved. Moreover, the CoS personnel shall be responsible for the notarization of their service agreement.

VI. Duration of Service Agreement

All Service Agreements shall initially cover a duration of **six (6) months**. Any extension of the Service Agreement shall be subject to evaluation and the availability of funds.

VII. Payment of Salary and Premium

- A. The salary of the renewed and hired CoS personnel shall be at a uniform rate of PhP 20,000.00 per month.
- B. The renewed or hired CoS personnel shall prepare the taxation requirements (e.g., BIR Form No. 1901/1905 verified by the concerned Revenue District Office (RDO), Annex B-2 duly notarized with documentary stamp) with guidance from the SDO.
- C. As a general rule, the payment of salary and premium of the Administrative Support Staff shall be made by the school concerned in accordance with the following procedures:
 1. The hired CoS personnel shall prepare their **accomplishment report** and **daily time record (DTR)**.
 2. The schools, upon review of the accomplishment report and DTR, shall pay the salary of the Administrative Support Staff and submit the required documents for liquidation of CoS salary to the SDO. The **accomplishment report, DTR, and notarized service agreement** shall be attached.

3. The SDO shall liquidate the cash advance for salary of CoS personnel in non-implementing units in accordance with existing procedures.
- D. In cases where SDOs or Implementing Units (IUs) opt to process payments through payrolls (List of Due and Demandable Accounts Payable), they may adopt such an arrangement, if deemed convenient and practicable, in accordance with existing procedures.
- E. All Regions shall have a **uniform premium rate of 10%**. The payment of premium shall be given in tranches, as follows:

Premium Payment	Payment Schedule
January to June	July
July to November	December
December	January (next year)

- F. The premium shall be computed as follows:

Premium Rate (10%) 10%	x	Monthly Salary PhP 20,000	=	Premium Cost PhP 2,000
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VIII. Monitoring

A. Utilization of Fund

The ROs and SDOs shall monitor the utilization of the downloaded additional MOOE.

B. Deployment of Hired COS Personnel

The SDO-HRMO shall update the information of the renewed or newly-hired COS personnel through this link: bit.ly/School-basedCOSMonitoring.

IX. Templates

All templates for the Authority to Renew, Authority to Hire, ToR, service agreement, and other relevant documents can be accessed through this link: https://bit.ly/QuickGuide_HIRINGPROCESS.

Should there be further questions or concerns, please contact the BHROD-SED through landline (02) 8633-5397 or email bhrod.sed@deped.gov.ph.

For immediate dissemination and appropriate action.

Copy furnished:

*Office of the Secretary
Office of the Undersecretary for Finance*



Room 102, Rizal Building, DepEd Complex, Meralco Ave., Pasig City 1600
Telephone Nos.: (+632) 86337206, (+632) 86318494, (+632) 86366549
Email Address: usec.hrod@deped.gov.ph | Website: www.deped.gov.ph

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**INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES
(For Self-Employed and/or Engaged in the Practice of Profession with Lone Income Payor)**

I, _____, _____, of legal age, single/ married to _____,
(Name) (Citizenship)
 _____, permanently residing at _____,
(Name of Spouse) (Address)

Taxpayer Identification Number (TIN) _____, after having been duly sworn in accordance with law hereby depose and state:

1. That I derived my _____ income only from _____,
(business/professional) (Name of Lone Payor)
 with Taxpayer Identification Number _____ and business address at _____;

2. That for the current year _____, my gross receipts will not exceed Two Hundred Fifty Thousand Pesos (₱250,000.00) and that I am registered as a non-VAT taxpayer; that whatever is the amount of income received, I will comply with the requirement to file my Income Tax Return on the prescribed due date. For this purpose, I opt to avail of either one of the following:
 - Graduated Income Tax Rates under Section 24(A)(2)(a) of the Tax Code, as amended, based on the taxable income. With this selection, I acknowledge that I am subject to 0% income tax, thus, not subject to creditable withholding tax; subject to percentage tax, if applicable, and will file the required percentage tax returns or subject to withholding percentage tax, in case of government money payments.
 - Eight Percent (8%) income tax rate under Section 24(A)(2)(b) of the Tax Code, as amended, based on gross receipts/sales and other non-operating income - with this selection, I understand that this is in lieu of the graduated income tax rates and the Percentage Tax under Section 116 of the Tax Code, as amended; thus, no withholding tax shall be made;

3. That based on my selection above, if my gross sales/receipts and other non-operating income exceeds ₱250,000.00 but not over ₱3,000,000.00, my afore-stated lone income payor shall automatically withhold the prescribed rate of withholding tax:
 - a. In case of Graduated Income Tax Rates, I acknowledge that aside from income tax, I am subject to business tax (Percentage Tax, if applicable) and creditable withholding of income in excess of P250,000.00, and business tax withholding, if any, are applicable on the entire income payment; OR
 - b. In case of Eight Percent (8%) income tax rate, I acknowledge that I am only subject to income tax and thus, to the creditable withholding income tax in excess of P250,000.00;

4. That I duly execute this **SWORN DECLARATION** in compliance with the requirement prescribed under Section ____ of Revenue Regulations No. _____;

5. That I declare, under the penalties of perjury, that this declaration has been made in good faith, and to the best of my knowledge and belief to be true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__ at _____, Philippines

Signature over Printed Name of Individual Taxpayer

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ in _____,
 Applicant exhibited to me his/her _____ issued at _____ on _____,
(Government Issued ID and No.)

NOTARY PUBLIC

Doc. No.: _____
 Page No.: _____
 Book No.: _____
 Series of _____



(To be filled-out by the withholding agent/lone payor)

Date Received: _____
(MM-DD-YYYY-00001)

Received by: _____

Signature over Printed Name of the Withholding Agent/Payor or Authorized Officer

Designation/Position of Authorized Officer

Name of Withholding Agent/Lone Payor

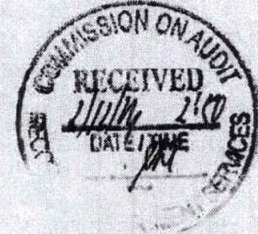


Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

OFFICE OF THE CHAIRPERSON

MEMORANDUM

TO : ASSISTANT COMMISSIONERS
National Government Audit Sector
Corporate Government Audit Sector
Local Government Audit Sector
Administration Sector



CLUSTER/REGIONAL DIRECTORS

FROM : 
GAMALIEL A. CORDOBA
Chairperson

SUBJECT : CSC-COA-DBM Joint Circular No. 1, s. 2025 on the Revised Rules and Regulations on the Engagement of the Contract of Service (COS) and Job Order (JO) workers in the Government

DATE : February 4, 2026

CSC-COA-DBM Joint Circular No. 1, s. 2025, particularly Item 13.0 thereof, states:

13.0 Reportorial Requirement

Each agency shall submit to the COA, copy furnished the CSC and the DBM, the inventory of the existing COS and JO workers with valid contracts as of December 31, 2025, using the template provided in Annex "A", not later than January 31, 2026.

The COA shall ensure the strict compliance of agencies with the reportorial requirement set forth in this Circular.

In compliance therewith, this Office has been receiving the required inventory reports which were subsequently forwarded to the Cluster/Regional Directors.

For purposes of consolidation, please cause the referral of the agency reports to the Information Technology Office, Administration Sector, which shall keep and maintain a database of COS and JOs capable of generating a consolidated report for the whole bureaucracy with such categories as NGAs, GOCCs, and SUCs and other stand alone entities in the Regions. Further, direct the Supervising Auditors/Team Leaders to monitor compliance by the agencies with the reportorial requirements prescribed in the Circular to

afford a comprehensive reporting by the Commission. Issues and concerns, if any, raised by the agencies in the implementation of the Circular shall likewise be included in this submission, for reference and monitoring.

For strict compliance.

Thank you.





**CIVIL SERVICE COMMISSION
COMMISSION ON AUDIT
DEPARTMENT OF BUDGET AND MANAGEMENT
JOINT CIRCULAR NO. ____, s. 2025**

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 : REVISED RULES AND REGULATIONS ON THE ENGAGEMENT OF THE CONTRACT OF SERVICE AND JOB ORDER WORKERS IN THE GOVERNMENT

1.0 Background

There has been a noticeable increase in the number of workers engaged by the different agencies of government through contract of service (COS) and job order (JO).

Furthermore, it has been observed that while the guidelines issued by the Civil Service Commission (CSC), Commission on Audit (COA), and the Department of Budget and Management (DBM) outline the general parameters for the engagement of the COS and JO workers, the implementation of the same across agencies have been inconsistent and ambiguous.

It is also worth noting that the issue of job contractualization in government has been a recurring concern even during previous Administrations.

Corollary, in line with the directive of the President, the COA-DBM Joint Circular (JC) No. 2, s. 2024 was issued with the following provisions:

"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 December 31, 2025.

Thereafter, the engagement of services of COS/JO workers shall be in accordance with the provisions of COA-DBM JC No. 2, s. 2020, as well as any subsequent guidelines, rules, and regulations issued by the COA, DBM, and other concerned parties. "

In order to provide a cohesive and accountable framework that balances operational efficiency and fiscal discipline, while also protecting the welfare of workers, it is necessary to revise the rules and regulations governing the engagement of the COS and JO workers in the government.

2.0 Policy Statement

Government agencies have the authority to enter into service contracts with other government agencies, private firms, individuals, or non-government organizations for services related or incidental to their respective functions and operations, whether on part-time or full-time basis.

3.0 Purpose

This JC is issued to prescribe the revised rules and regulations governing the engagement of the COS and JO workers.

4.0 Coverage

This JC covers all NGAs, GOCCs with original charters, SUCs, and constitutional bodies engaging the services of the COS or JO workers.

5.0 Exclusions

The following are excluded from the coverage of this Circular:

- 5.1 COS and JO workers whose service payments are accounted as Engineering and Administrative Overhead Expenses (EAOE) of the concerned departments, as authorized in the particular year's General Appropriations Act (GAA); and
- 5.2 COS or JO workers engaged by the local government units (LGUs).

6.0 Definition of Terms

- 6.1 **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.
- 6.2 **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 fields of expertise.
- 6.3 **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.

- 6.4 **Job Order** refers to piece work (*pakyaw*) or intermittent or emergency jobs such as clearing of debris on the roads, canals, and 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.
- 6.5 **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.

7.0 **Contract of Service**

7.1 **Institutional Contract of Service**

As a general rule, government agencies may engage outsourced services through institutional COS, subject to the following conditions:

- 7.1.1 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. 12009 or the *New Government Procurement Act* 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;
 - 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 (SSS);
 - 2) Home Development Mutual Fund (Pag-IBIG Fund); and
 - 3) Philippine Health Insurance Corporation (PhilHealth).
- 7.1.2 Workers hired through Institutional COS shall remain to be employees of the contractor or service provider.

7.1.3 The discipline of workers under the 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 said worker/s.

7.1.4 The contractor or service provider shall be responsible for providing the workers with compensation and benefits compliant with the existing labor law¹, including the necessary social security and other benefits mandated by law, in addition to the direct compensation as payment for their services.

7.2 Individual Contract of Service

Government agencies may enter a COS with individuals as consultants, learning service providers or technical experts, provided, that 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 agency, but in no case shall exceed the term of the latter.

8.0 Job Order

Government agencies may hire JO workers subject to the following conditions:

8.1 The services of a JO worker are either paid according to an agreed contract amount for the piece of work or on a daily wage basis.

8.2 Contracting the services of the JO workers shall be subject to pertinent budgeting, accounting, and auditing rules and regulations.

9.0 Limitations

9.1 Hiring under the 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 agency to directly undertake the service provided by the individual or institutional contractor.

9.2 Hiring of the JO workers shall be limited to emergency or intermittent work, such as clearing of debris on the roads, canals, and 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.

9.3 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 regular employees.

¹ Title II (Wages), Book 3 (Conditions of Employment) of Presidential Decree No. 442 or the Labor Code of the Philippines

- 9.4 COS and JO workers should not be designated to positions exercising control or supervision over regular and career employees.
- 9.5 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 privileges/benefits that government employees receive, such as leaves, Personnel Economic Relief Allowance, and Representation and Transportation Allowances, among other bonuses, allowances, and incentives.

10.0 Payment of Services of Individual COS and JO Workers

- 10.1 Individuals hired through COS shall be paid the prevailing market rate or the salary of comparable positions in the government.

Individuals hired through JO shall be paid the daily wage of comparable positions in the government.

- 10.2 Agencies shall provide a premium not exceeding 20% of the salary/wage of the COS and JO workers, subject to funding availability.

The premium payments will cover the worker's contributions, classified as voluntary or self-employed membership, to government-mandated social security programs (SSS, PhilHealth, and the Pag-IBIG Fund) ensuring access to social insurance, housing and loan facility, and healthcare.

- 10.3 The payment of services of the COS and JO workers shall be charged against the MOOE component of the approved agency budget.

11.0 Ancillary Benefits of COS and JO Workers

- 11.1 Subject to the availability of funds, the following ancillary benefits shall be provided to the COS and JO workers under their respective contracts or agreements:

11.1.1 Overtime Pay

- (i) COS and JO workers shall receive overtime pay for services rendered beyond official working hours or on rest days/holidays/non-working days, subject to the same rules and regulations prescribed under the CSC-DBM JC No. 2, s. 2015².
- (ii) Payment of the overtime services will come from the same MOOE item as the service payments of the COS and JO workers.

² Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees (November 25, 2015)

11.1.2 Reimbursement of expenses for official local travel

- (i) While on official local travel, the COS and JO workers shall be allowed reimbursement of actual travel expenses, subject to the rules and regulations prescribed under Executive Order No. 77, s. 2019³, any subsequent amendments thereto, and other applicable budgeting, accounting and auditing rules and regulations.
- (ii) Funds needed for the purpose shall be charged against the appropriations for travel expenses in the annual agency budgets.

11.1.3 Flexible Work Arrangement (FWA)

- (i) With due consideration of their functions and tasks, the COS and JO workers may be considered for the FWA, subject to the guidelines prescribed under the COA-DBM JC No. 1, s. 2022⁴, as well as any subsequent issuances on the matter.

11.2 The grant of additional ancillary benefit(s) to the COS and JO workers may be authorized, subject to the availability of funds and compliance with existing relevant laws, rules, and regulations, including any subsequent guidelines that may be issued and deemed applicable for the purpose.

12.0 Transitory Provisions

12.1 To effectively manage their COS and JO workers, agencies shall no longer be allowed to increase the number of their COS and JO workers beyond the current number.

To establish the baseline data for this purpose, all government agencies covered by this JC shall prepare an inventory⁵ of their respective COS and JO workers whose contracts remain valid until **December 31, 2025**.

12.2 Government agencies shall review their systems of operations to address gaps, if any, and determine the appropriate staffing complement for the performance of their regular functions and undertaking of programs/activities/projects of limited duration or temporary in nature.

Permanent positions may be created for regular functions, while casual or contractual personnel may be hired for projects and activities that are temporary in nature, subject to the evaluation of the DBM or the

³ Prescribing Rules and Regulations and Rates of Expenses and Allowances for Official Local and Foreign Travels of Government Personnel (March 15, 2019)

⁴ Policies on the Adoption of Flexible Work Arrangements for Contract of Service (COS) and Job Order (JO) Workers in Government (September 13, 2022)

⁵ Attached as Annex "A" (Template for the Report on the Inventory of Existing COS and JO Workers as of December 31, 2025)

Governance Commission for GOCCs, as well as the existing budgeting, accounting, and auditing rules and regulations.

In addition, government agencies shall consider their existing COS and JO workers in the preparation of their respective Optimization Plans, pursuant to **RA No. 12231 or the Government Optimization Act**. This is vital in order to absorb the qualified COS/JO workers in the plantilla positions that will be created in agencies concerned, in line with the implementation of RA No. 12231.

- 12.3 The existing qualified COS and JO workers shall be considered for appointment by the government agencies to their vacant positions, subject to the existing civil service laws, rules, and regulations, and the agency's CSC-approved Merit Selection Plan, while ensuring adherence to the equal opportunity and non-discrimination policies in their selection and appointment of personnel.

Furthermore, agencies are encouraged to strengthen their selection and recruitment processes to keep a low vacancy rate and ensure a stable and well-functioning workforce.

- 12.4 Government agencies must include a provision in their institutional contracts with a contractor or service provider stipulating that the existing qualified COS and JO workers of the agency shall be considered during the recruitment or hiring processes of the contractor or service provider.

13.0 Reportorial Requirement

Each agency shall submit to the COA, copy furnished the CSC and the DBM, the Inventory of the existing COS and JO workers with valid contracts as of December 31, 2025, using the template provided in **Annex "A"**, not later than January 31, 2026.

The COA shall ensure the strict compliance of agencies with the reportorial requirement set forth in this Circular.

14.0 Responsibilities of Agency Heads

Agency heads shall:

- 14.1 Cause the preparation and issuance of internal rules and guidelines on the engagement of the COS and JO workers within their respective agencies in accordance with the rules and regulations prescribed under this JC.

These internal rules and guidelines should include details on service payments and any ancillary benefits extended to the COS and JO workers.

For reference, **Annex "B"** contains illustrative examples on the computation of pay and premium payments.

14.2 Provide support programs to enhance the welfare of the COS and JO workers such as review sessions to prepare them for the civil service exams, and training programs to improve their job-related skills, etc., subject to the existing budgeting, accounting, and auditing rules and regulations.

14.3 Be held accountable for the proper implementation of the provisions of this JC and may be held liable for any administrative, civil or criminal liabilities in accordance with existing laws.

15.0 Resolution of Issues

Issues and concerns that may arise in the implementation of these rules and regulations shall be resolved by the CSC, COA, and DBM, as appropriate.

16.0 Audit

All transactions related to this JC shall be subject to the usual accounting and auditing rules and regulations.


17.0 Repealing Clause


All issuances, orders, rules and regulations on the engagement of services of the COS/JO workers that are inconsistent with the provisions of this JC are hereby repealed or modified accordingly.

18.0 Effectivity

This JC shall take effect 15 days after its publication in a newspaper of general circulation and after filing thereof in the Office of the National Administrative Register at the University of the Philippines Law Center.


ATTY. MARILYN B. YARB D'A
Chairperson
Civil Service Commission


ATTY. GAMALIEL A. CORDOBA
Chairperson
Commission on Audit


ROLANDO U. TOLEDO
Acting Secretary
Department of Budget and Management

ANNEX A

**Report on the Inventory of the Existing Contract of Service (COS) and
Job Order (JO) Workers
With Valid Contracts as of December 31, 2025**

Department/Agency: _____

Type of Worker	Number		
	Female	Male	Total
Individual COS			
JO			
Total			

Prepared by:

Certified Correct:

Head, Human Resource Management Unit

Agency Head

Illustrative Examples

An agency engaged the services of a Project Officer under a contract of service (COS) agreement as a technical expert for a period of six (6) months, from July 1, 2025 until December 31, 2025.

For his services, the Project Officer shall receive a daily pay of ₱2,332 (comparable to the equivalent daily wage rate of Project Development Officer III, Salary Grade-18).

As stipulated in his contract, he shall be given a 20% premium on top of his pay, to be paid monthly, and shall also be covered by the alternative work arrangements (AWA) under the agency's internal rules and regulations.

Illustrative Example 1

The Project Officer rendered 21 days of onsite services from July 1 to July 29, 2025, and was absent on July 30 and 31, 2025.

For the month of July 2025, his service payment shall be computed as follows:

(A) Daily Rate x Actual Service	= ₱2,332.00 x 21
	= ₱48,972.00
(B) Monthly Premium	= ₱48,972.00 x 20%
	= ₱9,794.40
Total Service Payment for July 2025 (A+B)	= ₱58,766.40

Illustrative Example 2

In September 2025, the Office of the President suspended work in government offices, from September 22 to 24, 2025 due to continuous rainfall brought about by the Southwest Monsoon. However, agencies may implement the AWA during this period.

During this time, the subject agency imposed a work-from-home (WFH) arrangement for its entire workforce, including the engaged COS workers.

The Project Officer rendered 22 days of actual service from September 1 to 30, 2025, i.e., 19 days onsite and 3 days WFH.

For the month of September 2025, his service payment shall be computed as follows:

(A) Daily Rate x Actual Service	= ₱2,332.00 x 22
	= ₱51,304.00
(B) Monthly Premium	= ₱51,304.00 x 20%
	= ₱10,260.80
Total Service Payment for September 2025 (A+B)	= ₱61,564.80