



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
GEN. SOLANO ST., SAN MIGUEL, MANILA

**LOCAL BUDGET CIRCULAR**

No. 132  
January 6, 2021

**TO :** All Provincial Governors; City and Municipal Mayors; *Barangay* Chairpersons; Provincial/City/Municipal/*Barangay Sanggunian* Members; Provincial/City/Municipal Treasurers, Budget Officers, Human Resource Management Officers (HRMOs); and Other Officials Concerned

**SUBJECT :** Implementation of the Second Tranche of the Modified Salary Schedule for Local Government Personnel Pursuant to Republic Act (RA) No. 11466

**1.0 Background**

RA No. 11466<sup>1</sup>, otherwise known as the "Salary Standardization Law of 2019," provides the modification of the Salary Schedule for Civilian Personnel and authorizes the grant of additional benefits.

Said Act also states that the modified Salary Schedule for Civilian Personnel shall be implemented in four (4) tranches, i.e., from FY 2020 to FY 2023.

Section 10 of RA No. 11466 stipulates that the modified Salary Schedule under said Act may be granted to personnel of LGUs, subject to certain conditions.

**2.0 Purpose**

This Circular is issued to prescribe the guidelines, rules, and regulations for the implementation of the second tranche of the modified Salary Schedule for Civilian Personnel stipulated under RA No. 11466.

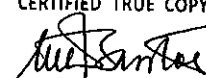
**3.0 Coverage**

The following are covered by this Circular:

- 3.1 All positions for salaried LGU personnel, whether regular, contractual, or casual in nature, elective or appointive, full-time or part-time, now existing or hereafter created in LGUs; and
- 3.2 All positions for *barangay* personnel which are paid monthly honoraria.

<sup>1</sup> An Act Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits, and for Other Purposes

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CERTIFIED TRUE COPY  
  
MARISSA A. SANTOS  
Chief Administrative Officer  
CENTRAL RECORDS DIVISION

#### 4.0 Exclusions

Excluded from the coverage of this Circular are those engaged without employer-employee relationship and funded from non-Personnel Services (PS) appropriations/budgets, as follows:

- 4.1 Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
- 4.2 Laborers engaged through job contracts (pakyaw) and those paid on piecework basis;
- 4.3 Student workers and apprentices; and
- 4.4 Individuals whose services are engaged through job orders, contracts of service, or others similarly situated.

#### 5.0 Implementation of the Second Tranche of the Modified Salary Schedule in LGUs Effective Not Earlier than January 1, 2021

The implementation of the second tranche of the modified Salary Schedule in LGUs shall be subject to the authorization from the *Sanggunian*, as provided under Sections 447(a), 458(a), and 468(a) of RA No. 7160<sup>2</sup>, and the following conditions and considerations:

- 5.1 The new salary rates shall be in accordance with the Second Tranche Monthly Salary Schedule for Local Government Personnel corresponding to the LGU level and income classification, as presented in Annexes "A-1" to "A-8."
- 5.2 The PS limitation in LGU budgets under Sections 325(a) and 331(b) of RA No. 7160 shall be complied with.
- 5.3 If funds are insufficient to implement fully the salary schedule for the LGU level and income class, or for purposes of complying with the PS limitation, the *Sanggunian* may formulate a modified salary schedule with lower rates but at a uniform percentage of the rates in the applicable salary schedule in Annexes "A-1" to "A-8."
- 5.4 In the formulation of such salary schedule, LGUs shall ensure that they can fund on a sustainable basis the increased salaries, bonuses and incentives, including the government counterparts to the Retirement and Life Insurance Premiums, Pag-IBIG Contributions, PhilHealth Contributions, and Employees Compensation Insurance Premiums, taking into account the regular annual income of the LGU and its expenditure and investment programs.
- 5.5 The salaries of Public Health Workers (PHWs) shall be determined by the *Sanggunian* after considering and balancing the impact of the relevant provisions of RA No. 11466, RA No. 7160, and RA No. 7305<sup>3</sup> dated March 26, 1992 on fiscal discipline, prioritization of expenditures, financial capability, and improvement of service delivery.



<sup>2</sup> An Act Providing for a Local Government Code of 1991  
<sup>3</sup> The Magna Carta of Public Health Workers

The *Sanggunian* may adopt any of the following options:

- 5.5.1 Adopt the salary rates authorized for personnel of Special Cities/First Class Provinces and Cities (Annex "A-1") for the PHWs of the LGU.
- 5.5.2 If LGU funds are not sufficient, adopt a modified salary schedule for PHWs but at a uniform percentage of the salaries in Annex "A-1," similar to the percentage applied in Item 5.3 above.

## 6.0 Rules for Adjusting Salaries

The following rules shall apply in the implementation of the salary adjustment:

- 6.1 The salaries of incumbent personnel shall be adjusted to the rates in the salary schedule adopted by the LGU corresponding to the designated steps of the salary grade allocations of their positions as of December 31, 2020; provided that their positions and salary grades are in accordance with: (a) Local Budget Circular (LBC) No. 61<sup>4</sup> dated March 18, 1996; (b) Item 1.2 of Budget Circular (BC) No. 2004-3<sup>5</sup> dated March 6, 2004; and (c) Annex "B" of LBC No. 2009-92<sup>6</sup> dated September 3, 2009.
- 6.2 If the actual monthly basic salary of an incumbent as of December 31, 2020 falls between steps of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of the service, the salary shall be adjusted to the rate for the higher step in the salary schedule to be adopted by the LGU (Illustrative example in Annex "C").
- 6.3 If the actual monthly basic salary of an incumbent as of December 31, 2020 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of service:
  - 6.3.1 The salary shall be adjusted to the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU; (Illustrative example in Annex "D").
  - 6.3.2 The incumbent shall not be entitled to salary increase if the actual salary as of December 31, 2020 exceeds the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU (Illustrative example in Annex "E").
- 6.4 For incumbent personnel whose position titles are not in accordance with the Index under LBC No. 61 and modifications thereto, the salary adjustments shall be granted after their positions have been properly classified by the Department of Budget and Management (DBM) Regional Office concerned.
- 6.5 The salary of a new hire shall be the rate corresponding to Step 1 of the salary grade allocation of the position in the Salary Schedule to be adopted.



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<sup>4</sup> Revised Index of Occupational Services, Position Titles and Salary Grades (IOS) in the Local Government  
<sup>5</sup> Conversion of Positions Performing Staff Non-Technical Functions  
<sup>6</sup> Implementation of the First Tranche Monthly Salary Schedule of Local Government Personnel and the Modified Position Classification System

- 6.6 The salaries/wages of contractual/casual personnel shall be adjusted to the rates corresponding to Step 1 of the salary grade allocations of their positions in the applicable Salary Schedule in Annexes "A-1" to "A-8" effective not earlier than January 1, 2021. The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly salaries by 22 work days per month.
- 6.7 Compulsory retirees whose services have been extended beyond December 31, 2020 shall be entitled to salary increase following Items 6.1 to 6.4 of this Circular, whichever is applicable. However, their retirement benefits, including Terminal Leave Benefits, shall be computed based on their monthly basic salaries as of the day prior to the effectivity of their retirement, consistent with existing laws, rules, and regulations.

#### **7.0 No Diminution in Basic Salaries**

There shall be no diminution in the actual basic salaries received by the incumbents prior to the implementation of RA No. 11466 for purposes of complying with the PS limitation.

#### **8.0 Honoraria Adjustments for Barangay Officials and Employees**

- 8.1 The maximum honoraria rates prescribed for *barangay* officials and employees under LBC No. 63<sup>7</sup> dated October 22, 1996 may be adjusted following the salary schedule adopted by the municipality or city where the *barangay* belongs, subject to the PS limitation under Section 331(b) of RA No. 7160.
- 8.2 If *barangay* funds are not sufficient and sustainable to implement the honoraria rates authorized under Item 8.1, the *Sangguniang Barangay* may adjust the honoraria at lower rates but at a uniform percentage of the rates in Item 8.1 for all *barangay* officials and employees.

#### **9.0 Procedural Guidelines**

- 9.1 The HRMO/Administrative Officer (AO) shall prepare Notices of Salary Adjustment (NOSAs) for incumbent civilian personnel following the format marked as Annex "B-1" or Annex "B-2," whichever is applicable, for approval by the Local Chief Executive.
- For personnel whose actual monthly salaries as of December 31, 2020 exceed the rates corresponding to Step 8 of the salary grade allocations of their positions in the salary schedule adopted by the LGU, the HRMO/AO shall no longer prepare NOSAs.
- 9.2 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if they are members thereof.
- 9.3 The salary/honoraria adjustment under this Circular shall be subject to the usual accounting and auditing rules and regulations, and to appropriate re-adjustment if found not in order. The recipient personnel shall refund any overpayments received.



**10.0 Fund Source**

- 10.1 The amounts required to implement the salary/honoraria and related fixed expenditure adjustments of LGU personnel shall be sourced exclusively from LGU funds, subject to the PS limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of RA No. 7160.
- 10.2 Such amounts shall be authorized through an appropriation ordinance to be enacted by the *Sangguniang Panlalawigan/Panlungsod/Bayan/Barangay*.

**11.0 Responsibilities of LGUs**

LGUs shall be responsible for the implementation of the provisions of this Circular. The responsible officers shall be held liable for any payment of salary/honoraria adjustments not in accordance with the provisions hereof without prejudice to the refund by the employees concerned of any excess or unauthorized payments.

**12.0 Resolution of Cases**

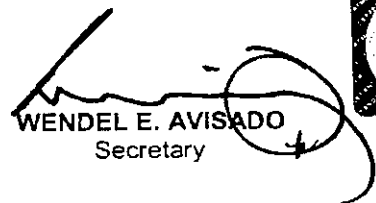
Cases not covered by the provisions of this Circular shall be referred to the DBM for resolution.


**13.0 Effectivity of Salary Increase**

The Second Tranche of the Modified Salary Schedule authorized for LGU personnel may be implemented not earlier than January 1, 2021, subject to the authorization from their respective *Sanggunian*.

**14.0 Effectivity**

This Circular shall take effect on January 1, 2021.

  
WENDEL E. AVISADO  
Secretary



**ANNEX "A-1"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Special Cities and First Class Provinces and Cities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
<b>1</b>	12,034	12,134	12,236	12,339	12,442	12,545	12,651	12,756
<b>2</b>	12,790	12,888	12,987	13,087	13,187	13,288	13,390	13,493
<b>3</b>	13,572	13,677	13,781	13,888	13,995	14,101	14,210	14,319
<b>4</b>	14,400	14,511	14,622	14,735	14,848	14,961	15,077	15,192
<b>5</b>	15,275	15,393	15,511	15,630	15,750	15,871	15,993	16,115
<b>6</b>	16,200	16,325	16,450	16,577	16,704	16,832	16,962	17,092
<b>7</b>	17,179	17,311	17,444	17,578	17,713	17,849	17,985	18,124
<b>8</b>	18,251	18,417	18,583	18,751	18,920	19,091	19,264	19,438
<b>9</b>	19,593	19,757	19,922	20,089	20,257	20,426	20,597	20,769
<b>10</b>	21,205	21,382	21,561	21,741	21,923	22,106	22,291	22,477
<b>11</b>	23,877	24,161	24,450	24,742	25,038	25,339	25,643	25,952
<b>12</b>	26,052	26,336	26,624	26,915	27,210	27,509	27,811	28,117
<b>13</b>	28,276	28,589	28,905	29,225	29,550	29,878	30,210	30,547
<b>14</b>	30,799	31,143	31,491	31,844	32,200	32,561	32,927	33,297
<b>15</b>	33,575	33,953	34,336	34,724	35,116	35,513	35,915	36,323
<b>16</b>	36,628	37,044	37,465	37,891	38,323	38,760	39,203	39,650
<b>17</b>	39,986	40,444	40,907	41,376	41,851	42,332	42,818	43,311
<b>18</b>	43,681	44,184	44,694	45,209	45,732	46,261	46,796	47,338
<b>19</b>	48,313	49,052	49,803	50,566	51,342	52,130	52,932	53,746
<b>20</b>	54,251	55,085	55,934	56,796	57,673	58,564	59,469	60,389
<b>21</b>	60,901	61,844	62,803	63,777	64,768	65,774	66,797	67,837
<b>22</b>	68,415	69,481	70,565	71,666	72,785	73,923	75,079	76,253
<b>23</b>	76,907	78,111	79,336	80,583	81,899	83,235	84,594	85,975
<b>24</b>	86,742	88,158	89,597	91,059	92,545	94,057	95,592	97,152
<b>25</b>	98,886	100,500	102,140	103,808	105,502	107,224	108,974	110,753
<b>26</b>	111,742	113,565	115,419	117,303	119,217	121,163	123,140	125,150
<b>27</b>	126,267	128,329	130,423	132,552	134,715	136,914	139,149	141,420
<b>28</b>	142,683	145,011	147,378	149,784	152,228	154,714	157,239	159,804
<b>29</b>	161,231	163,863	166,537	169,256	172,018	174,826	177,679	180,579
<b>30</b>	182,191	185,165	188,187	191,259	194,380	197,553	200,777	204,054

**ANNEX "A-2"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Second Class Provinces and Cities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
1	11,432	11,527	11,624	11,722	11,820	11,918	12,018	12,118
2	12,151	12,244	12,338	12,433	12,528	12,624	12,721	12,818
3	12,893	12,993	13,092	13,194	13,295	13,396	13,500	13,603
4	13,680	13,785	13,891	13,998	14,106	14,213	14,323	14,432
5	14,511	14,623	14,735	14,849	14,963	15,077	15,193	15,309
6	15,390	15,509	15,628	15,748	15,869	15,990	16,114	16,237
7	16,320	16,445	16,572	16,699	16,827	16,957	17,086	17,218
8	17,338	17,496	17,654	17,813	17,974	18,136	18,301	18,466
9	18,613	18,769	18,926	19,085	19,244	19,405	19,567	19,731
10	20,145	20,313	20,483	20,654	20,827	21,001	21,176	21,353
11	22,683	22,953	23,228	23,505	23,786	24,072	24,361	24,654
12	24,749	25,019	25,293	25,569	25,850	26,134	26,420	26,711
13	26,862	27,160	27,460	27,764	28,073	28,384	28,700	29,020
14	29,259	29,586	29,916	30,252	30,590	30,933	31,281	31,632
15	31,896	32,255	32,619	32,988	33,360	33,737	34,119	34,507
16	34,797	35,192	35,592	35,996	36,407	36,822	37,243	37,668
17	37,987	38,422	38,862	39,307	39,758	40,215	40,677	41,145
18	41,497	41,975	42,459	42,949	43,445	43,948	44,456	44,971
19	45,897	46,599	47,313	48,038	48,775	49,524	50,285	51,059
20	51,538	52,331	53,137	53,956	54,789	55,636	56,496	57,370
21	57,856	58,752	59,663	60,588	61,530	62,485	63,457	64,445
22	64,994	66,007	67,037	68,083	69,146	70,227	71,325	72,440
23	73,062	74,205	75,369	76,554	77,804	79,073	80,364	81,676
24	82,405	83,750	85,117	86,506	87,918	89,354	90,812	92,294
25	93,942	95,475	97,033	98,618	100,227	101,863	103,525	105,215
26	106,155	107,887	109,648	111,438	113,256	115,105	116,983	118,893
27	119,954	121,913	123,902	125,924	127,979	130,068	132,192	134,349
28	135,549	137,760	140,009	142,295	144,617	146,978	149,377	151,814
29	153,169	155,670	158,210	160,793	163,417	166,085	168,795	171,550
30	173,081	175,907	178,778	181,696	184,661	187,675	190,738	193,851

**ANNEX "A-3"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Third Class Provinces and Cities and First Class Municipalities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
1	10,831	10,921	11,012	11,105	11,198	11,291	11,386	11,480
2	11,511	11,599	11,688	11,778	11,868	11,959	12,051	12,144
3	12,215	12,309	12,403	12,499	12,596	12,691	12,789	12,887
4	12,960	13,060	13,160	13,262	13,363	13,465	13,569	13,673
5	13,748	13,854	13,960	14,067	14,175	14,284	14,394	14,504
6	14,580	14,693	14,805	14,919	15,034	15,149	15,266	15,383
7	15,461	15,580	15,700	15,820	15,942	16,064	16,187	16,312
8	16,426	16,575	16,725	16,876	17,028	17,182	17,338	17,494
9	17,634	17,781	17,930	18,080	18,231	18,383	18,537	18,692
10	19,085	19,244	19,405	19,567	19,731	19,895	20,062	20,229
11	21,489	21,745	22,005	22,268	22,534	22,805	23,079	23,357
12	23,447	23,702	23,962	24,224	24,489	24,758	25,030	25,305
13	25,448	25,730	26,015	26,303	26,595	26,890	27,189	27,492
14	27,719	28,029	28,342	28,660	28,980	29,305	29,634	29,967
15	30,218	30,558	30,902	31,252	31,604	31,962	32,324	32,691
16	32,965	33,340	33,719	34,102	34,491	34,884	35,283	35,685
17	35,987	36,400	36,816	37,238	37,666	38,099	38,536	38,980
18	39,313	39,766	40,225	40,688	41,159	41,635	42,116	42,604
19	43,482	44,147	44,823	45,509	46,208	46,917	47,639	48,371
20	48,826	49,577	50,341	51,116	51,906	52,708	53,522	54,350
21	54,811	55,660	56,523	57,399	58,291	59,197	60,117	61,053
22	61,574	62,533	63,509	64,499	65,507	66,531	67,571	68,628
23	69,216	70,300	71,402	72,525	73,709	74,912	76,135	77,378
24	78,068	79,342	80,637	81,953	83,291	84,651	86,033	87,437
25	88,997	90,450	91,926	93,427	94,952	96,502	98,077	99,678
26	100,568	102,209	103,877	105,573	107,295	109,047	110,826	112,635
27	113,640	115,496	117,381	119,297	121,244	123,223	125,234	127,278
28	128,415	130,510	132,640	134,806	137,005	139,243	141,515	143,824
29	145,108	147,477	149,883	152,330	154,816	157,343	159,911	162,521
30	163,972	166,649	169,368	172,133	174,942	177,798	180,699	183,649



**ANNEX "A-4"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Fourth Class Provinces and Cities and Second Class Municipalities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
1	10,229	10,314	10,401	10,488	10,576	10,663	10,753	10,843
2	10,872	10,955	11,039	11,124	11,209	11,295	11,382	11,469
3	11,536	11,625	11,714	11,805	11,896	11,986	12,079	12,171
4	12,240	12,334	12,429	12,525	12,621	12,717	12,815	12,913
5	12,984	13,084	13,184	13,286	13,388	13,490	13,594	13,698
6	13,770	13,876	13,983	14,090	14,198	14,307	14,418	14,528
7	14,602	14,714	14,827	14,941	15,056	15,172	15,287	15,405
8	15,513	15,654	15,796	15,938	16,082	16,227	16,374	16,522
9	16,654	16,793	16,934	17,076	17,218	17,362	17,507	17,654
10	18,024	18,175	18,327	18,480	18,635	18,790	18,947	19,105
11	20,295	20,537	20,783	21,031	21,282	21,538	21,797	22,059
12	22,144	22,386	22,630	22,878	23,129	23,383	23,639	23,899
13	24,035	24,301	24,569	24,841	25,118	25,396	25,679	25,965
14	26,179	26,472	26,767	27,067	27,370	27,677	27,988	28,302
15	28,539	28,860	29,186	29,515	29,849	30,186	30,528	30,875
16	31,134	31,487	31,845	32,207	32,575	32,946	33,323	33,703
17	33,988	34,377	34,771	35,170	35,573	35,982	36,395	36,814
18	37,129	37,556	37,990	38,428	38,872	39,322	39,777	40,237
19	41,066	41,694	42,333	42,981	43,641	44,311	44,992	45,684
20	46,113	46,822	47,544	48,277	49,022	49,779	50,549	51,331
21	51,766	52,567	53,383	54,210	55,053	55,908	56,777	57,661
22	58,153	59,059	59,980	60,916	61,867	62,835	63,817	64,815
23	65,371	66,394	67,436	68,496	69,614	70,750	71,905	73,079
24	73,731	74,934	76,157	77,400	78,663	79,948	81,253	82,579
25	84,053	85,425	86,819	88,237	89,677	91,140	92,628	94,140
26	94,981	96,530	98,106	99,708	101,334	102,989	104,669	106,378
27	107,327	109,080	110,860	112,669	114,508	116,377	118,277	120,207
28	121,281	123,259	125,271	127,316	129,394	131,507	133,653	135,833
29	137,046	139,284	141,556	143,868	146,215	148,602	151,027	153,492
30	154,862	157,390	159,959	162,570	165,223	167,920	170,660	173,446

**ANNEX "A-5"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Fifth Class Provinces and Cities and Third Class Municipalities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
1	9,627	9,707	9,789	9,871	9,954	10,036	10,121	10,205
2	10,232	10,310	10,390	10,470	10,550	10,630	10,712	10,794
3	10,858	10,942	11,025	11,110	11,196	11,281	11,368	11,455
4	11,520	11,609	11,698	11,788	11,878	11,969	12,062	12,154
5	12,220	12,314	12,409	12,504	12,600	12,697	12,794	12,892
6	12,960	13,060	13,160	13,262	13,363	13,466	13,570	13,674
7	13,743	13,849	13,955	14,062	14,170	14,279	14,388	14,499
8	14,601	14,734	14,866	15,001	15,136	15,273	15,411	15,550
9	15,674	15,806	15,938	16,071	16,206	16,341	16,478	16,615
10	16,964	17,106	17,249	17,393	17,538	17,685	17,833	17,982
11	19,102	19,329	19,560	19,794	20,030	20,271	20,514	20,762
12	20,842	21,069	21,299	21,532	21,768	22,007	22,249	22,494
13	22,621	22,871	23,124	23,380	23,640	23,902	24,168	24,438
14	24,639	24,914	25,193	25,475	25,760	26,049	26,342	26,638
15	26,860	27,162	27,469	27,779	28,093	28,410	28,732	29,058
16	29,302	29,635	29,972	30,313	30,658	31,008	31,362	31,720
17	31,989	32,355	32,726	33,101	33,481	33,866	34,254	34,649
18	34,945	35,347	35,755	36,167	36,586	37,009	37,437	37,870
19	38,650	39,242	39,842	40,453	41,074	41,704	42,346	42,997
20	43,401	44,068	44,747	45,437	46,138	46,851	47,575	48,311
21	48,721	49,475	50,242	51,022	51,814	52,619	53,438	54,270
22	54,732	55,585	56,452	57,333	58,228	59,138	60,063	61,002
23	61,526	62,489	63,469	64,466	65,519	66,588	67,675	68,780
24	69,394	70,526	71,678	72,847	74,036	75,246	76,474	77,722
25	79,109	80,400	81,712	83,046	84,402	85,779	87,179	88,602
26	89,394	90,852	92,335	93,842	95,374	96,930	98,512	100,120
27	101,014	102,663	104,338	106,042	107,772	109,531	111,319	113,136
28	114,146	116,009	117,902	119,827	121,782	123,771	125,791	127,843
29	128,985	131,090	133,230	135,405	137,614	139,861	142,143	144,463
30	145,753	148,132	150,550	153,007	155,504	158,042	160,622	163,243

**ANNEX "A-6"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Sixth Class Provinces and Cities and Fourth Class Municipalities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
1	9,026	9,101	9,177	9,254	9,332	9,409	9,488	9,567
2	9,593	9,666	9,740	9,815	9,890	9,966	10,043	10,120
3	10,179	10,258	10,336	10,416	10,496	10,576	10,658	10,739
4	10,800	10,883	10,967	11,051	11,136	11,221	11,308	11,394
5	11,456	11,545	11,633	11,723	11,813	11,903	11,995	12,086
6	12,150	12,244	12,338	12,433	12,528	12,624	12,722	12,819
7	12,884	12,983	13,083	13,184	13,285	13,387	13,489	13,593
8	13,688	13,813	13,937	14,063	14,190	14,318	14,448	14,579
9	14,695	14,818	14,942	15,067	15,193	15,320	15,448	15,577
10	15,904	16,037	16,171	16,306	16,442	16,580	16,718	16,858
11	17,908	18,121	18,338	18,557	18,779	19,004	19,232	19,464
12	19,539	19,752	19,968	20,186	20,408	20,632	20,858	21,088
13	21,207	21,442	21,679	21,919	22,163	22,409	22,658	22,910
14	23,099	23,357	23,618	23,883	24,150	24,421	24,695	24,973
15	25,181	25,465	25,752	26,043	26,337	26,635	26,936	27,242
16	27,471	27,783	28,099	28,418	28,742	29,070	29,402	29,738
17	29,990	30,333	30,680	31,032	31,388	31,749	32,114	32,483
18	32,761	33,138	33,521	33,907	34,299	34,696	35,097	35,504
19	36,235	36,789	37,352	37,925	38,507	39,098	39,699	40,310
20	40,688	41,314	41,951	42,597	43,255	43,923	44,602	45,292
21	45,676	46,383	47,102	47,833	48,576	49,331	50,098	50,878
22	51,311	52,111	52,924	53,750	54,589	55,442	56,309	57,190
23	57,680	58,583	59,502	60,437	61,424	62,426	63,446	64,481
24	65,057	66,119	67,198	68,294	69,409	70,543	71,694	72,864
25	74,165	75,375	76,605	77,856	79,127	80,418	81,731	83,065
26	83,807	85,174	86,564	87,977	89,413	90,872	92,355	93,863
27	94,700	96,247	97,817	99,414	101,036	102,686	104,362	106,065
28	107,012	108,758	110,534	112,338	114,171	116,036	117,929	119,853
29	120,923	122,897	124,903	126,942	129,014	131,120	133,259	135,434
30	136,643	138,874	141,140	143,444	145,785	148,165	150,583	153,041

**ANNEX "A-7"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Fifth Class Municipalities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
1	8,424	8,494	8,565	8,637	8,709	8,782	8,856	8,929
2	8,953	9,022	9,091	9,161	9,231	9,302	9,373	9,445
3	9,500	9,574	9,647	9,722	9,797	9,871	9,947	10,023
4	10,080	10,158	10,235	10,315	10,394	10,473	10,554	10,634
5	10,693	10,775	10,858	10,941	11,025	11,110	11,195	11,281
6	11,340	11,428	11,515	11,604	11,693	11,782	11,873	11,964
7	12,025	12,118	12,211	12,305	12,399	12,494	12,590	12,687
8	12,776	12,892	13,008	13,126	13,244	13,364	13,485	13,607
9	13,715	13,830	13,945	14,062	14,180	14,298	14,418	14,538
10	14,844	14,967	15,093	15,219	15,346	15,474	15,604	15,734
11	16,714	16,913	17,115	17,319	17,527	17,737	17,950	18,166
12	18,236	18,435	18,637	18,841	19,047	19,256	19,468	19,682
13	19,793	20,012	20,234	20,458	20,685	20,915	21,147	21,383
14	21,559	21,800	22,044	22,291	22,540	22,793	23,049	23,308
15	23,503	23,767	24,035	24,307	24,581	24,859	25,141	25,426
16	25,640	25,931	26,226	26,524	26,826	27,132	27,442	27,755
17	27,990	28,311	28,635	28,963	29,296	29,632	29,973	30,318
18	30,577	30,929	31,286	31,646	32,012	32,383	32,757	33,137
19	33,819	34,336	34,862	35,396	35,939	36,491	37,052	37,622
20	37,976	38,560	39,154	39,757	40,371	40,995	41,628	42,272
21	42,631	43,291	43,962	44,644	45,338	46,042	46,758	47,486
22	47,891	48,637	49,396	50,166	50,950	51,746	52,555	53,377
23	53,835	54,678	55,535	56,408	57,329	58,265	59,216	60,183
24	60,719	61,711	62,718	63,741	64,782	65,840	66,914	68,006
25	69,220	70,350	71,498	72,666	73,851	75,057	76,282	77,527
26	78,219	79,496	80,793	82,112	83,452	84,814	86,198	87,605
27	88,387	89,830	91,296	92,786	94,301	95,840	97,404	98,994
28	99,878	101,508	103,165	104,849	106,560	108,300	110,067	111,863
29	112,862	114,704	116,576	118,479	120,413	122,378	124,375	126,405
30	127,534	129,616	131,731	133,881	136,066	138,287	140,544	142,838

**ANNEX "A-8"**

**Second Tranche Monthly Salary Schedule for Local Government Personnel  
In Sixth Class Municipalities  
Effective Not Earlier Than January 1, 2021  
(In Pesos)**

<b>Salary Grade</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
1	7,822	7,887	7,953	8,020	8,087	8,154	8,223	8,291
2	8,314	8,377	8,442	8,507	8,572	8,637	8,704	8,770
3	8,822	8,890	8,958	9,027	9,097	9,166	9,237	9,307
4	9,360	9,432	9,504	9,578	9,651	9,725	9,800	9,875
5	9,929	10,005	10,082	10,160	10,238	10,316	10,395	10,475
6	10,530	10,611	10,693	10,775	10,858	10,941	11,025	11,110
7	11,166	11,252	11,339	11,426	11,513	11,602	11,690	11,781
8	11,863	11,971	12,079	12,188	12,298	12,409	12,522	12,635
9	12,735	12,842	12,949	13,058	13,167	13,277	13,388	13,500
10	13,783	13,898	14,015	14,132	14,250	14,369	14,489	14,610
11	15,520	15,705	15,893	16,082	16,275	16,470	16,668	16,869
12	16,934	17,118	17,306	17,495	17,687	17,881	18,077	18,276
13	18,379	18,583	18,788	18,996	19,208	19,421	19,637	19,856
14	20,019	20,243	20,469	20,699	20,930	21,165	21,403	21,643
15	21,824	22,069	22,318	22,571	22,825	23,083	23,345	23,610
16	23,808	24,079	24,352	24,629	24,910	25,194	25,482	25,773
17	25,991	26,289	26,590	26,894	27,203	27,516	27,832	28,152
18	28,393	28,720	29,051	29,386	29,726	30,070	30,417	30,770
19	31,403	31,884	32,372	32,868	33,372	33,885	34,406	34,935
20	35,263	35,805	36,357	36,917	37,487	38,067	38,655	39,253
21	39,586	40,199	40,822	41,455	42,099	42,753	43,418	44,094
22	44,470	45,163	45,867	46,583	47,310	48,050	48,801	49,564
23	49,990	50,772	51,568	52,379	53,234	54,103	54,986	55,884
24	56,382	57,303	58,238	59,188	60,154	61,137	62,135	63,149
25	64,276	65,325	66,391	67,475	68,576	69,696	70,833	71,989
26	72,632	73,817	75,022	76,247	77,491	78,756	80,041	81,348
27	82,074	83,414	84,775	86,159	87,565	88,994	90,447	91,923
28	92,744	94,257	95,796	97,360	98,948	100,564	102,205	103,873
29	104,800	106,511	108,249	110,016	111,812	113,637	115,491	117,376
30	118,424	120,357	122,322	124,318	126,347	128,409	130,505	132,635

**For Regular Positions**

**Notice of Salary Adjustment**

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_:

Pursuant to Local Budget Circular No. \_\_\_\_ dated \_\_\_\_\_, implementing Republic Act No. \_\_\_\_\_ dated \_\_\_\_\_, your salary is hereby adjusted effective \_\_\_\_\_, as follows:

- 1. Adjusted monthly basic salary effective January 1, 2021, under the new Salary Schedule; SG \_\_\_\_ Step \_\_\_\_ P \_\_\_\_\_
- 2. Actual monthly basic salary as of December 31, 2020; SG \_\_\_\_ Step \_\_\_\_ P \_\_\_\_\_
- 3. Monthly salary adjustment effective January 1, 2021 (1-2) P \_\_\_\_\_

It is understood that this salary adjustment is subject to usual accounting and auditing rules and regulations, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

\_\_\_\_\_  
Local Chief Executive

Position Title: \_\_\_\_\_  
Salary Grade: \_\_\_\_\_  
Item No., FY \_\_\_\_\_ Plantilla of Personnel: \_\_\_\_\_

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**For Contractuals/Casuals**

**Notice of Salary Adjustment**

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_:

Pursuant to Local Budget Circular No. \_\_\_ dated \_\_\_\_\_,  
implementing Republic Act No. \_\_\_\_\_ dated \_\_\_\_\_, your salary/daily wage  
is hereby adjusted effective \_\_\_\_\_, as follows:

- 1. Monthly basic salary/daily wage rate,  
under the new Salary Schedule; SG \_\_\_\_ P \_\_\_\_\_
- 2. Actual monthly basic salary/daily wage rate  
as of December 31, 2020;  
SG \_\_\_\_ P \_\_\_\_\_
- 3. Monthly salary/daily wage adjustment  
effective January 1, 2021 (1-2) P \_\_\_\_\_

It is understood that this salary/daily wage adjustment is subject to usual  
accounting and auditing rules and regulations, and to appropriate re-adjustment and  
refund if found not in order.

Very truly yours,

\_\_\_\_\_  
Local Chief Executive

Position Title: \_\_\_\_\_  
Salary Grade: \_\_\_\_\_  
Item No., FY \_\_\_\_\_ Plantilla of Personnel: \_\_\_\_\_

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### Illustrative Example

**Rule:** *If the actual monthly basic salary of an incumbent as of December 31, 2020 falls between steps of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of the service, the salary shall be adjusted to the rate for the higher step in the salary schedule to be adopted by the LGU.*

**Scenario:** An incumbent of Administrative Officer II/SG-11 in a 1<sup>st</sup> class province was demoted to Administrative Officer I/SG-10 due to exigency in service effective October 1, 2020. His salary for the position of Administrative Officer II/SG-11, Step 1 is P22,316, while the authorized salary for the position of Administrative Officer I/SG-10, Step 1 is P20,219. Due to the non-diminution of pay, employee gets to keep his actual salary of P22,316.

His salary shall be adjusted to P22,477 (SG-10, Step 8) beginning January 2021 since the actual salary (P22,316) of the incumbent as of December 31, 2020 falls between Step 7 (P22,291) and Step 8 (P22,477) of SG-10 in the Salary Schedule under Annex "A-1" hereof.

Position Title	Effectivity Date	Legal Basis	Authorized Salary of Position (Step 1)	Actual Salary
Administrative Officer II/SG-11	January 1, 2020	LBC No. 121	P22,316	P22,316
Administrative Officer I/SG-10	October 1, 2020	Demotion due to the exigency of service	P20,219	P22,316
Administrative Officer I/SG-10	January 1, 2021	RA No. 11466	P21,205	P22,477 (Adjusted Salary = SG-10, 8 <sup>th</sup> step)



**Annex "D"**

**Illustrative Example**

**Rule:** *If the actual monthly basic salary of an incumbent as of December 31, 2020 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of service:*

*The salary shall be adjusted to the rate for Step 8 of the same salary grade of the position in the salary schedule to be adopted by the LGU.*

**Scenario:** An incumbent of Senior Administrative Assistant (SAA) I (Data Controller IV)/SG-13 of a 3<sup>rd</sup> class municipality was involuntarily demoted effective February 1, 2020 to Administrative Assistant (AA) VI (Computer Operator III)/SG-12 due to the reorganization of the 3<sup>rd</sup> class municipality.

The employee's salary as SAA I was P22,422 (SG-13, Step 5), while the authorized salary for AA VI is P20,522 (SG-12, Step 6). Incumbent gets to receive the salary of P22,422 until December 31, 2020 due to non-diminution of pay.

Since the current actual salary of P22,422 exceeds the rate for SG-12, Step 8 (P21,248) in the salary schedule adopted in 2020, his rate shall be adjusted to P22,494 (SG-12, Step 8) not earlier than January 1, 2021 of the Salary Schedule under Annex "A-5" hereof.

<b>Position Title</b>	<b>Effectivity Date</b>	<b>Legal Basis</b>	<b>Authorized Salary of Position (Step 5)</b>	<b>Actual Salary</b>
Senior Administrative Assistant I/SG-13	January 1, 2020	LBC No. 121	P22,422	P22,422
Administrative Assistant VI/SG-12	February 1, 2020	Demotion due to the exigency of service	P20,522	P22,422
Administrative Assistant VI/SG-12	January 1, 2021	RA No. 11466	P21,768	P22,494 (Adjusted Salary = SG-12, 8 <sup>th</sup> step)

**Annex "E"**

**Illustrative Example**

*Rule: If the actual monthly basic salary of an incumbent as of December 31, 2020 exceeds the rate for Step 8 of the salary grade allocation of the position as a result of demotion or transfer due to the exigency of service:*

*The incumbent shall not be entitled to salary increase if the salary as of December 31, 2020 exceeds the rate for Step 8 of the same salary grade in the salary schedule to be adopted by the LGU.*

**Scenario:** An incumbent of Administrative Assistant III (Secretary II)/SG-9 in a 2<sup>nd</sup> class municipality was transferred effective July 1, 2019 to a new office in the same LGU due to phasing out or abolition of his old organizational office. His new position effective July 1, 2019 is Administrative Aide IV/SG-4.

The employee's salary as Administrative Assistant III is P16,924 (SG-9, Step-8); the authorized salary for Administrative Aide IV is P12,382 (SG-4, Step 8). He will continue to receive his salary of P16,924 for 2020 due to involuntary demotion.

Beginning January 1, 2021, the incumbent may no longer be entitled to salary increase since his present actual salary (P16,924) is already higher than the rate provided for SG-4, Step 8 (P12,913) of the Salary Schedule under Annex "A-4" hereof.

<b>Position Title</b>	<b>Effectivity Date</b>	<b>Legal Basis</b>	<b>Authorized Salary of Position (Step 8)</b>	<b>Actual Salary</b>
Administrative Assistant III/SG-9	January 1, 2020	LBC No. 121	P16,924	P16,924 (Step 8)
Administrative Aide IV/SG-4	July 1, 2020	Transfer and involuntary demotion	P12,382	P16,924
Administrative Aide IV/SG-4	January 1, 2021	RA No. 11466	P12,913	P16,924 (Exceeds Step 8 of SG-4)