



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
**CENTRAL OFFICE**  
**MANILA**

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January 15, 2020

**DEPARTMENT MEMORANDUM** )

**CIRCULAR NO.** )

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Series of 2020 )

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**FOR / TO : Undersecretaries**  
**Assistant Secretaries**  
**Service Directors**  
**Bureau Directors**  
**Regional Directors**  
**Heads of UPMOs**  
**District Engineers**  
**This Department**

For information and guidance, attached is a copy of Administrative Order No. 20 dated January 10, 2020 entitled **"AUTHORIZING THE GRANT OF GRATUITY PAY FOR FISCAL YEAR 2019 TO JOB ORDER AND CONTRACT OF SERVICE WORKERS IN GOVERNMENT"**.

A copy of said National Budget Circular may also be downloaded from the **DPWH website: <http://dpwhweb>**. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS upon request.

For dissemination to all concerned.

**MARICHU A. PALAFOX, CESO III**  
Assistant Secretary for Support Services

Encl: A.O. No. 20 dated January 10, 2020  
Cc: Office of the Secretary

8.1.2 JJC



MALACAÑAN PALACE  
MANILA

**BY THE PRESIDENT OF THE PHILIPPINES**

**ADMINISTRATIVE ORDER NO. 20**

**AUTHORIZING THE GRANT OF GRATUITY PAY FOR FISCAL YEAR  
2019 TO JOB ORDER AND CONTRACT OF SERVICE WORKERS IN  
GOVERNMENT**

**WHEREAS**, the State affirms labor as a primary social economic force and promotes the welfare of workers;

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

**WHEREAS**, the Civil Service Commission (CSC)-Commission on Audit (COA)-Department of Budget and Management (DBM) Joint Circular (JC) No. 1 (s. 2017) or the "Rules and Regulations Governing COS and JO Workers in the Government," as amended by CSC-COA-DBM JC No. 1 (s. 2018), provides the existing policies and guidelines on the engagement of services of these workers;

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

**WHEREAS**, granting a year-end Gratuity Pay to JO and COS workers is a well-deserved recognition of their hard work;

**WHEREAS**, Administrative Order No. 2 (s. 2017) authorized the grant of Gratuity Pay to JO and COS workers for fiscal year 2016;

**WHEREAS**, Section 17, Article VII of the 1987 Constitution and Section 1, Chapter 1, Title I, Book III of Executive Order No. 292 (s. 1987) or the "Administrative Code of 1987," vest the President with control over all the executive departments, bureaus and offices;

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

THE PRESIDENT OF THE PHILIPPINES

**SECTION 1. Grant of Gratuity Pay.** All workers whose services are engaged through JO and COS, who have rendered a total or an aggregate of at least four (4) months of satisfactory performance of services as stipulated in their respective contracts as of 15 December 2019, and whose contracts are still effective as of same date, may be granted a one-time Gratuity Pay not exceeding Three Thousand Pesos (P3,000) each.

Those who have rendered less than four (4) months of satisfactory performance of services as stipulated in their respective contracts as of 15 December 2019, and whose contracts are still effective as of same date may also be granted the one-time Gratuity Pay, on a pro rata basis, as follows:

| Length of Service                       | Amount of Gratuity Pay |
|---|------------------------|
| 3 months or more but less than 4 months | Not exceeding ₱2,000   |
| 2 months or more but less than 3 months | Not exceeding ₱1,500   |
| Less than 2 months                      | Not exceeding ₱1,000   |

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

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

- a. For NGAs and SUCs, against their respective available Maintenance and Other Operating Expenses (MOOE) allotment for the same program, activity or project (P/A/P) where the compensation of workers engaged through JO and COS are sourced, subject to approval of the Agency Head.

In case of deficiency, the agencies may request the Department of Budget and Management (DBM) for additional funds charged against the identified savings of such agencies generated from the sources mentioned in Section 73 of the General Provisions of the FY 2019 General Appropriations Act (GAA), subject to approval of the President pursuant to pertinent provisions of the FY 2019 GAA on the use of savings and existing laws and issuances; and

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

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

- a. Report on the number and names of workers engaged through JO and COS qualified for Gratuity Pay, as certified by the head of the human resource management unit and endorsed by the Department Secretary or Agency Head concerned; and

- b. Certification from the budget officer that the required amount from the existing MOOE allotment is free from any obligation and may be declared as savings pursuant to Section 73 of the General Provisions of the FY 2019 GAA, to cover the funding requirements for the grant of Gratuity Pay, likewise endorsed by the Department Secretary or Agency Head concerned.

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

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

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

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

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

**DONE** in the City of Manila, this 10<sup>th</sup> day of **January** in the year of Our Lord, Two Thousand and **Twenty**.

By the President:



**SALVADOR C. MEDIALDEA**  
Executive Secretary

