



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 13

AUTHORIZING THE GRANT OF GRATUITY PAY TO CONTRACT OF SERVICE AND JOB ORDER WORKERS IN GOVERNMENT FOR FISCAL YEAR 2023

WHEREAS, various government agencies are engaging the services of individual workers under contract of service (COS) and job order (JO) schemes to support the implementation of their respective programs, activities, and projects (P/A/Ps), especially the priority items under the Philippine Development Plan 2023-2028 and the President's 8-point Socioeconomic Agenda;

WHEREAS, under the Commission on Audit (COA)-Department of Budget and Management (DBM) Joint Circular (JC) No. 2 (s. 2022), government agencies may engage the services of new COS and JO workers through individual contracts, and renew the individual contracts of their existing COS and JO workers until 31 December 2024;

WHEREAS, while COS and JO workers in the government are 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 Mid-Year and Year-End Bonuses, Performance-Based Bonus, and Personnel Economic Relief Allowance;

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

WHEREAS, Administrative Order No. 3 (s. 2022) authorized the grant of Gratuity Pay to COS and JO workers in government for Fiscal Year (FY) 2022; and

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

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Grant of Gratuity Pay in National Government Agencies and Instrumentalities. All workers whose services are engaged through COS and JO, who have rendered a total or an aggregate of at least four (4) months of actual satisfactory

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performance of service, as stipulated in their respective contracts, as of 15 December 2023, and whose contracts are still effective as of the same date, may be granted a one-time Gratuity Pay not exceeding Five Thousand Pesos (₱5,000.00) each.

Those who have rendered less than four (4) months of actual satisfactory performance of service, as stipulated in their respective contracts, as of 15 December 2023, 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 but less than 4 months	Not exceeding ₱4,000.00
2 months but less than 3 months	Not exceeding ₱3,000.00
Less than 2 months	Not exceeding ₱2,000.00

For this purpose, actual service shall refer to services rendered on-site. However, subject to the discretion of the Agency Head and the availability of funds, services rendered by COS and JO workers under any alternative work arrangements prescribed under Section 6.1 COA-DBM JC No. 1 (s. 2022) may also be considered as actual service.

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

Section 3. Funding Sources. The funding source for the implementation of this Order shall be governed by the following:

- a. For 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 workers engaged through COS and JO are sourced, subject to approval of the Agency Head.

In case of deficiency, agencies may modify the allotment issued within a P/A/P, subject to approval of the Agency Head or the DBM, as the case may be, pursuant to the rules on the modification in allotments under Section 80 of the General Provisions of Republic Act (RA) No. 11936 or the "General Appropriations Act for FY 2023," and existing laws, rules and regulations, and other issuances, or submit a request to augment actual deficiencies from savings in other P/A/Ps, subject to approval of the President, in accordance with rules on use of savings and augmentation under Sections 77, 78, and 79 of the General Provisions of RA No. 11936, and existing laws and issuances; and

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

Section 4. Use of Savings. Requests for the use of savings under Section 3(a) hereof shall be submitted by NGAs and SUCs to the DBM not later than five (5) working days from the effectivity of this Order, for endorsement to the Office of the President. All such requests shall be supported by the following documents:

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

- b. Certification from the budget officer that the required amount from the existing MOOE allotment is free from any obligation and may be declared as savings, pursuant to Sections 77 and 79 of the General Provisions of RA No. 11936, 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 COS and JO, 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 2023 appropriations or surplus. In case the LGU fails to enact an SB within FY 2023, the LGU concerned may enact an SB for FY 2024, 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," and pertinent laws, rules and regulations; (ii) prior year's surplus is backed by cash; and (iii) annual budget for FY 2024 is already approved.

Section 6. Payment Date. The payment of Gratuity Pay to qualified COS and JO workers in government for FY 2023 shall be made not earlier than 15 December 2023.

Section 7. Supplemental Guidelines. As may be necessary, the DBM shall issue supplemental guidelines for the effective implementation of this Order.

Section 8. 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 9. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 10. Effectivity. This Order shall take effect immediately following its complete publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 7th day of December, in the year of our Lord, Two Thousand and Twenty-Three.

By the President:


LUCAS P. BERSAMIN
Executive Secretary

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