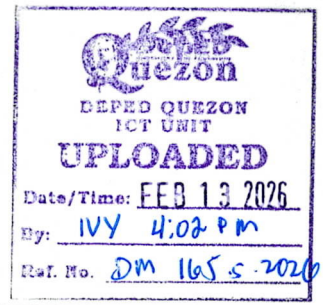




Republic of the Philippines  
**Department of Education**  
REGION IV-A - CALABARZON  
SCHOOLS DIVISION OF QUEZON PROVINCE



12 February 2026

**DIVISION MEMORANDUM**

No. 165, s. 2026

**SUBMISSION OF NOTICE OF SALARY ADJUSTMENT (NOSA)**

**To:** Assistant Schools Division Superintendents  
Division Chiefs  
Public Schools District Supervisors  
Public Elementary and Secondary School Heads  
All Others Concerned

1. In reference to the National Budget Circular No. 601 dated January 22, 2026 titled "Implementation of the Third Tranche of the Updated Salary Schedule for Civilian Government Personnel Under Executive Order (EO) No. 64, s. 2024", this Office announces the submission of Notice of Salary Adjustment (NOSA) **on February 23, 2026** at the Personnel Section.
2. School Heads are advised to facilitate the preparation of the Notice of Salary Adjustment (NOSA) of teaching and non-teaching within their respective jurisdiction.
3. Please use the template provided, Annex B-1 for regular positions and Summary of NOSA.
4. Strict compliance with this Memorandum is highly desired.

  
**ROMMEL C. BAUTISTA, CESO V**  
Schools Division Superintendent 

*perwog 02/12/2026*

DEPEDQUEZON-TM-SDS-04-009-003



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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT

**NATIONAL BUDGET CIRCULAR**

No. 601

January 22, 2026

**TO :** Heads of Departments, Agencies, and Other Offices of the National Government, Including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG), State Universities and Colleges (SUCs), and Government-Owned or –Controlled Corporations (GOCCs); and All Others Concerned

**SUBJECT :** Implementation of the Third Tranche of the Updated Salary Schedule for the Civilian Government Personnel Under Executive Order (EO) No. 64, s. 2024

**1.0 Background**

EO No. 64, s. 2024<sup>1</sup> provides an updated Salary Schedule for the civilian government personnel to ensure an effective, competitive, and sustainable Compensation and Position Classification System (CPCS) that attracts, retains, and engages high-performing civil servants.

**Section 5** thereof provides that the updated Salary Schedule for the civilian personnel shall be implemented in four (4) tranches, from Fiscal Year (FY) 2024 to FY 2027, with the **third tranche** beginning on **January 1, 2026**.

**2.0 Purpose**

This Circular provides the implementing guidelines, rules, and regulations for the third tranche of the updated Salary Schedule for the civilian personnel under EO No. 64, s. 2024.

**3.0 Coverage**

This Circular applies to all civilian government personnel, now existing or hereafter created in the Executive, Legislative, and Judicial Branches, the Constitutional Commissions and other Constitutional Offices, SUCs, and GOCCs

<sup>1</sup>Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and For Other Purposes

not covered by Republic Act (RA) No. 10149<sup>2</sup> and EO No. 150, s. 2021<sup>3</sup>, as repealed or modified by EO No. 95, s. 2025<sup>4</sup>, regardless of the appointment status, i.e., whether regular, casual, or contractual; appointive or elective; and on a full-time or part-time basis.

#### 4.0 Exclusions

This Circular shall **not** apply to the following:

- 4.1 Military and uniformed personnel;
- 4.2 Government agencies exempt from RA No. 6758<sup>5</sup>, as amended, as expressly provided in their respective enabling laws or charters, and are actually implementing their respective CPCS approved by the President of the Philippines;
- 4.3 GOCCs under RA No. 10149 and EO No. 95, s. 2025, which shall be covered by a CPCS established by the Governance Commission for GOCCs (GCG) and approved by the President of the Philippines; and
- 4.4 Individuals engaged without employer-employee relationship and funded from non-Personnel Services (PS) appropriations/budgets, as follows:
  - 4.4.1 Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
  - 4.4.2 Laborers engaged through job contracts (*pakyaw*) and those paid on piecework basis;
  - 4.4.3 Student workers and apprentices; and
  - 4.4.4 Those whose services are engaged through job orders, contracts of service, or others similarly situated.

#### 5.0 Third Tranche Implementation of the Updated Salary Schedule for the Civilian Personnel Effective January 1, 2026

The new salary rates shall take effect beginning January 1, 2026 in accordance with the Third Tranche Monthly Salary Schedule for the civilian personnel under EO No. 64, s. 2024, attached as **Annex A** to this Circular.

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<sup>2</sup> An Act to Promote Financial Viability and Fiscal Discipline in Government-Owned or -Controlled Corporations and to Strengthen the Role of the State in its Governance and Management to Make Them More Responsive to the Needs of Public Interest and For Other Purposes

<sup>3</sup> Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 (s. 2016), and For Other Purposes

<sup>4</sup> Approving the Compensation and Position Classification System II and Pay Grades for Government-Owned or -Controlled Corporations, Repealing Executive Order No. 150 (s.2021), and For Other Purposes

<sup>5</sup> An Act Prescribing a Revised Compensation and Position Classification System in the Government and For Other Purposes

## 5.1 Rules for Adjusting Salaries

- 5.1.1 The salaries of incumbent civilian personnel shall be adjusted to the rates in the Salary Schedule in **Annex A** corresponding to the designated steps of the salary grade allocations of their positions as of December 31, 2025, provided, that their positions and salary grades are in accordance with the Index of Occupational Services, Occupational Groups, Classes, and Salary Grades issued under Budget Circular No. 2022-2<sup>6</sup>, including any subsequent additions or modifications thereto.
- 5.1.2 If the actual monthly basic salary of an incumbent as of December 31, 2025 falls between steps of the salary grade allocation of the position due to the grant of a service award or as a result of demotion or transfer due to the exigency of the service, the salary shall be adjusted to the rate of the higher step in the Salary Schedule in **Annex A**.
- 5.1.3 If the actual monthly basic salary of an incumbent as of December 31, 2025 exceeds Step 8 of the salary grade allocation of the position:
- 5.1.3.1 The salary shall be adjusted to the rate for Step 8 of the same salary grade in the Salary Schedule in **Annex A**.
- 5.1.3.2 The employee shall not be entitled to salary increase if the actual salary as of December 31, 2025 exceeds the rate for Step 8 of the same salary grade in the Salary Schedule in **Annex A**.
- 5.1.4 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 in **Annex A**.
- 5.1.5 The salaries/wages of the contractual/casual personnel shall be adjusted to the rates corresponding to Step 1 of the salary grade allocations of their positions in the Salary Schedule in **Annex A**.
- The adjusted daily wage rates of casual personnel shall be computed by dividing the monthly rates by 22 workdays per month.
- 5.1.6 Compulsory retirees whose services have been extended beyond December 31, 2025 shall be entitled to salary increase based on Items 5.1.1 to 5.1.3 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 effective date of their retirement, in accordance with existing laws, rules, and regulations.

**Annex C** contains illustrative examples of how to apply the above salary rules.

## **6.0 Implementation of the Third Tranche Salary Schedule in GOCCs under the coverage of the Department of Budget and Management (DBM)**

- 6.1 The implementation of the Third Tranche Monthly Salary Schedule in GOCCs covered by the DBM shall be determined by their respective governing boards, provided it shall not be earlier than January 1, 2026.
- 6.2 GOCCs which do not have sufficient funds to fully implement the Salary Schedule in **Annex A** may adopt their own salary schedules at lower rates but at a uniform percentage of the salaries in **Annex A**.
- 6.3 When developing such salary schedules, GOCCs shall ensure that they can fund on a sustainable basis the salary adjustments, including the government counterparts to the Retirement and Life Insurance Premiums (RLIP), Pag-IBIG Contributions, PhilHealth Contributions, and the Employees Compensation Insurance Premiums.
- 6.4 The relevant rules in this Circular shall apply when adjusting the salaries of incumbent personnel, effective not earlier than January 1, 2026.

## **7.0 Procedural Guidelines**

- 7.1 The Human Resource Management Officer (HRMO)/Administrative Officer (AO) of a national government agency (NGA) or GOCC shall prepare Notices of Salary Adjustment (NOSAs) for the incumbent civilian personnel by following the format marked as **Annex B-1** or **Annex B-2**, whichever is applicable, for approval by the Head of Agency.

On the other hand, the HRMO/AO is no longer required to prepare NOSAs for personnel whose actual monthly salaries as of December 31, 2025, exceed the rates corresponding to Step 8 of the salary grade allocations of their positions in **Annex A**.

- 7.2 When using digital/electronic signatures for NOSAs, agencies must follow the guidelines for the purpose, as provided under DBM Circular Letter No. 2024-77.

- 7.3 The NOSAs shall be issued to the personnel concerned, copy furnished the Government Service Insurance System (GSIS) if they are members thereof.
- 7.4 The salary adjustment under this Circular shall be subject to the usual accounting and auditing laws, rules, and regulations, and to appropriate re-adjustment if found not in order. The personnel concerned shall refund any overpayments received.

## **8.0 Fund Sources**

- 8.1 The amounts required for the herein salary adjustment and related fixed expenditure increases for civilian government personnel are already incorporated in the respective agency budgets under RA No. 12314 or the FY 2026 General Appropriations Act (GAA).
- 8.2 The amounts required to implement the salary adjustment and related fixed expenditure increases of casual and contractual personnel in NGAs whose salaries are drawn from the lumpsum appropriations for non-itemized positions shall be sourced from the agency's lumpsum appropriations included in its FY 2026 budget.
- 8.3 For covered GOCCs, the amounts shall be charged against their approved Corporate Operating Budgets (COBs), provided that the national government shall not release funds for salary adjustment or any related expenditures; provided, further, that the GOCCs shall not resort to borrowings for the purpose; and provided, furthermore, that the performance targets in their DBM-approved COBs are met and their programs/projects for the year are not adversely affected.

## **9.0 Release of Funds**

- 9.1 The requirements for the implementation of the herein salary adjustment and the related fixed expenditures for personnel of NGAs shall be released through the following:

- 9.1.1 GAA as the Allotment Order

For the full year requirements of the salary adjustment, based on the number of filled positions as of December 31, 2025, chargeable against the respective agency's PS budget under the FY 2026 GAA; and

9.1.2 General Allotment Release Order

For the related fixed expenditures of the regular personnel, i.e., RLIP requirements, chargeable against automatic appropriations.

9.2 In case of deficiency arising from newly filled position(s) after the cut-off date, the agency concerned may submit a request to the DBM for the release of additional funds. Such request shall be subject to the submission of the required supporting documents for the processing of the PS deficiency, together with the following information:

9.2.1 Item Number, Position Title, Salary Grade, Name of Incumbent, Actual Salary, and Date of Assumption to Duty; and

9.2.2 The latest Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances, highlighting the amount of allotments received and the corresponding obligations and disbursements incurred for salary adjustments.

## 10.0 Exempt Entities

Consistent with Section 8 of EO No. 64, s. 2024, exempt entities shall be governed by their respective CPCS, which shall be made effective upon the recommendation of the DBM or the GCG, as the case may be, and approved by the President of the Philippines.

Exempt entities refer to: (a) government agencies that are not covered by the CPCS authorized under RA No. 6758, as amended; (b) GOCCs governed by the CPCS established by the GCG under RA No. 10149 and EO No. 95, s. 2025; and (c) those authorized by law and have actually implemented their own CPCS.

## 11.0 Applicability to Certain Officials

Pursuant to Section 6 of Article VII and Section 10 of Article VI of the Constitution, the salaries authorized herein for the President of the Philippines, Vice-President of the Philippines, and Members of the Congress shall take effect only after the expiration of the respective terms of the present incumbents.

## 12.0 Responsibilities of Agencies

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

**13.0 Resolution of Cases**

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

**14.0 Effectivity**

This Circular shall take effect on January 1, 2026.



**ROLANDO U. TOLEDO**  
Acting Secretary



**ANNEX A**

**The Third Tranche Monthly Salary Schedule  
for the Civilian Personnel of the National Government  
Effective January 1, 2026  
(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>	14,634	14,730	14,849	14,968	15,089	15,211	15,333	15,456
<b>2</b>	15,522	15,636	15,752	15,869	15,986	16,103	16,223	16,342
<b>3</b>	16,486	16,610	16,732	16,856	16,982	17,106	17,234	17,360
<b>4</b>	17,506	17,636	17,767	17,898	18,031	18,163	18,298	18,433
<b>5</b>	18,581	18,720	18,858	18,998	19,137	19,280	19,423	19,565
<b>6</b>	19,716	19,862	20,009	20,158	20,307	20,456	20,609	20,761
<b>7</b>	20,914	21,069	21,224	21,382	21,539	21,699	21,859	22,022
<b>8</b>	22,423	22,627	22,832	23,038	23,246	23,456	23,668	23,883
<b>9</b>	24,329	24,523	24,720	24,917	25,117	25,318	25,521	25,725
<b>10</b>	26,917	27,131	27,347	27,565	27,786	28,007	28,230	28,456
<b>11</b>	31,705	31,820	32,109	32,401	32,697	32,998	33,302	33,611
<b>12</b>	33,947	34,069	34,357	34,648	34,943	35,242	35,544	35,850
<b>13</b>	36,125	36,283	36,599	36,919	37,244	37,572	37,904	38,241
<b>14</b>	38,764	39,141	39,523	39,910	40,300	40,696	41,097	41,503
<b>15</b>	42,178	42,594	43,015	43,442	43,874	44,310	44,753	45,202
<b>16</b>	45,694	46,152	46,615	47,084	47,559	48,040	48,528	49,020
<b>17</b>	49,562	50,066	50,576	51,092	51,614	52,144	52,678	53,221
<b>18</b>	53,818	54,371	54,933	55,499	56,075	56,657	57,246	57,842
<b>19</b>	59,153	59,966	60,793	61,632	62,486	63,353	64,236	65,132
<b>20</b>	66,052	66,970	67,904	68,853	69,818	70,772	71,727	72,671
<b>21</b>	73,303	74,337	75,388	76,456	77,542	78,645	79,692	80,831
<b>22</b>	81,796	82,963	84,151	85,356	86,582	87,746	89,011	90,295
<b>23</b>	91,306	92,622	93,962	95,330	96,823	98,341	99,883	101,318
<b>24</b>	102,603	104,209	105,841	107,500	109,185	110,898	112,533	114,301
<b>25</b>	116,643	118,469	120,326	122,212	124,131	126,079	128,061	130,073
<b>26</b>	131,807	133,870	135,968	138,100	140,268	142,469	144,707	146,983
<b>27</b>	148,940	151,273	153,644	155,906	158,353	160,235	162,752	165,310
<b>28</b>	167,129	169,752	172,418	174,797	177,545	180,339	182,660	185,537
<b>29</b>	187,531	190,482	193,480	196,528	199,624	202,005	205,191	208,430
<b>30</b>	210,718	214,038	217,207	220,425	223,691	227,224	230,595	234,240
<b>31</b>	300,961	306,691	312,532	318,182	323,938	329,989	336,092	342,310
<b>32</b>	356,237	363,257	370,418	377,359	384,805	392,400	400,150	408,055
<b>33</b>	449,157	462,329						

For Regular Positions

**Notice of Salary Adjustment**

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_:

Pursuant to National Budget Circular No. \_\_\_\_ dated \_\_\_\_\_, implementing Executive Order No. 64 dated August 2, 2024, your salary is hereby adjusted effective January 1, 2026, as follows:

1. Adjusted monthly basic salary effective January 1, 2026, under the new Salary Schedule; SG \_\_\_\_, Step \_\_\_\_ P \_\_\_\_\_
2. Actual monthly basic salary as of December 31, 2025; SG \_\_\_\_, Step \_\_\_\_ \_\_\_\_\_
3. Monthly salary adjustment effective January 1, 2026 (1-2) P \_\_\_\_\_

It is understood that this salary adjustment is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

\_\_\_\_\_  
**Head of Agency**

Position Title: \_\_\_\_\_  
Salary Grade: \_\_\_\_\_  
Item No./Unique Item No., FY \_\_\_\_ Personnel Services Itemization  
and/or Plantilla of Personnel: \_\_\_\_\_

Copy Furnished: GSIS

For Contractual/Casual Personnel

**Notice of Salary/Wage Adjustment**

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_:

Pursuant to National Budget Circular No. \_\_\_\_ dated \_\_\_\_\_, implementing Executive Order No. 64 dated August 2, 2024, 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, 2025; SG \_\_\_\_\_, \_\_\_\_\_
- 3. Monthly salary adjustment/Daily wage adjustment effective \_\_\_\_\_ (1-2) P \_\_\_\_\_

It is understood that this salary/wage adjustment is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

\_\_\_\_\_  
**Head of Agency**

Position Title: \_\_\_\_\_  
Salary Grade: \_\_\_\_\_

Copy Furnished: GSIS

### Illustrative Examples

#### *Illustrative Example A*

Ms. Juana Dela Cruz was appointed as Administrative Officer II (Human Resource Management Officer I), Salary Grade (SG)-11, effective March 13, 2025.

She will be entitled to the following salary adjustment:

Position Title/SG	Salary as of December 31, 2025	Adjusted Salary beginning January 1, 2026
Administrative Officer II, SG-11	₱ 30,024	₱ 31,705

#### *Illustrative Example B*

Mr. Juan Castillo was appointed as Senior Agrarian Reform Program Officer, SG-18 on January 7, 2023. He consistently received a "Very Satisfactory" performance rating from FY 2023 to FY 2025.

In accordance with CSC-DBM Joint Circular No. 1, s. 2012<sup>8</sup>, he shall be entitled to one (1) salary step increment due to length of service in FY 2026.

His salary shall be adjusted as follows:

Position Title/SG	Salary as of Dec. 31, 2025	Adjusted Salary beginning January 1, 2026	One step increment effective January 7, 2026
Senior Agrarian Reform Program Officer, SG-18	₱51,304 (SG-18, Step 1)	₱53,818 (SG-18, Step 1)	₱54,371 (SG-18, Step 2)

#### *Illustrative Example C*

Due to the exigency of service, Ms. Maria Chua was reassigned from the General Services Division to the Procurement Division, effective October 16, 2025. The reassignment entailed a change in her position and functions, i.e., from Administrative Assistant II, SG-8 to Administrative Assistant I, SG-7.

In accordance with the salary rules under DBM Budget Circular No. 2019-1<sup>9</sup>, she continued to receive a monthly salary of ₱21,448 (SG-8, Step 1) in her new post.

Her present salary falls between Step 4 (₱21,382) and Step 5 (₱21,539) of SG-7 in the Third Tranche Salary Schedule under EO No. 64 (Annex A).

<sup>8</sup> Rules and Regulations on the Grant of Step Increment s Due to Meritorious Performance and Step Increment Due to Length of Service  
<sup>9</sup> Salary Rules and Regulations Applicable to Human Resource, Position Classification and Staffing Actions (February 12, 2019)

Beginning January 1, 2026, she shall be entitled to the following salary adjustment:

<b>Position Title/SG</b>	<b>Salary as of December 31, 2025</b>	<b>Adjusted Salary beginning January 1, 2026</b>
Administrative Officer I, SG-7	₱21,448 (SG-8, Step 1)	₱21,539 (SG-7, Step 5)

***Illustrative Example D***

Mr. Mario Acosta was originally appointed as Administrative Officer II (Financial Analyst I), SG-11. During his more than 10 years of service in the same position, he received step increments due to length of service, as well as due to meritorious performance. As of February 1, 2025, he was receiving a monthly basic salary of ₱31,486 (Step 6).

Following the agency's reorganization, he was reappointed as Administrative Officer I (Cashier I), SG-10, effective September 8, 2025. In accordance with the principle of non-diminution of pay, his salary of ₱31,486 remains unchanged in his new post.

However, he shall no longer be entitled to the Third Tranche Salary Adjustment under this Circular, as his current salary of ₱31,486 already exceeds the prescribed rate for SG-10, Step 8 (₱28,456).

***Illustrative Example E***

Mr. Juan Pedro has been working for a national government agency as Administrative Assistant II (Accounting Clerk III) for more than 30 years. As of December 31, 2025, he is receiving a monthly salary of ₱22,843 (SG-8, Step 8).

Effective January 1, 2026, Mr. Pedro will receive a monthly salary of ₱23,883 (SG-8, Step 8).