



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 02

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

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

WHEREAS, various government agencies have engaged workers under job orders (JO), contracts of service (COS) and other similar schemes;

WHEREAS, the Civil Service Commission (CSC), in its Memorandum Circular (MC) No. 40, s. 1998 as reinstated by CSC MC No. 1, s. 2007 (Re: Policy Guidelines for Contract of Services), has recognized the practice of engaging the services of these workers;

WHEREAS, these workers do not enjoy benefits accorded to regular employees like the Mid-Year and Year-End Bonuses, Performance Based Bonus, Personnel Economic Relief Allowance, among others, considering that they have no employee-employer relationship with the government;

WHEREAS, some government agencies and local government units (LGUs) have, in previous years, allowed the grant of certain benefits to workers covered by JO and COS in their respective agencies;

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

WHEREAS, Section 17 of Article VII of the 1987 Constitution states that the President shall have control over all executive departments, and shall ensure that the laws are faithfully executed;

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:

SECTION 1. All workers whose services are engaged through JO and COS and who have rendered a total or an aggregate of at least four (4) months of satisfactory service as of December 15, 2016 and whose contracts are still effective as of same date, may be granted a one-time Gratuity Pay not exceeding Two Thousand Pesos (P2,000.00) each.

SECTION 2. Those who have rendered less than four (4) months of satisfactory service as of December 15, 2016 and with effective contracts as of the same date may also be granted the one-time Gratuity Pay, but not exceeding One Thousand Pesos (P1,000.00) each.

SECTION 3. This Order shall cover workers whose services are engaged through JO, COS or other similar schemes by national government agencies (NGAs), state universities and colleges (SUCs), government-owned or –controlled corporations (GOCCs) and government financial institutions (GFIs).

SECTION 4. 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.

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 completed P/A/Ps, subject to approval by the President pursuant to pertinent provisions of the General Appropriations Act on use of savings and existing laws and issuances.

- (b) For GOCCs and GFIs, against their respective corporate operating budgets.

SECTION 5. Requests for 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 issuance of this Order, for consolidation and endorsement to the Office of the President, supported by the following documents:

- (a) Report on the number and names of qualified workers engaged through JO and COS for Gratuity Pay, as certified by the head of the human resource management unit and endorsed by the Department Secretary or Head of Agency 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 from completed P/A/Ps to cover the funding requirements of the grant of Gratuity Pay, likewise endorsed by the Department Secretary or Head of Agency concerned.

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

SECTION 6. 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.

SECTION 7. 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 8. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

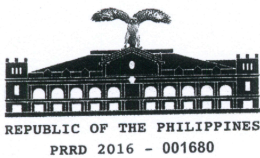
SECTION 9. This Order shall take effect immediately.

DONE, in the City of Manila, this **31st** day of **January**, in the year of Our Lord, Two Thousand and Seventeen.

By the President:



SALVADOR C. MEDIALDEA
Executive Secretary



CERTIFIED COPY:



MARIANITO M. DIMAANDAL
DIRECTOR IV
MALACANANG RECORDS OFFICE

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