



**EXECUTIVE ORDER NO. 265  
Series of 2023**

**AN ORDER PROVIDING THE POLICY GUIDELINES ON THE GRANT OF PREMIUM PAY FOR JOB ORDER WORKERS OF THE CITY GOVERNMENT OF PANABO FOR FY 2023 AND YEARS THEREAFTER**

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

**WHEREAS**, local government units are authorized to enter into service contracts with individuals for services under job order (JO) and contract of service (COS) schemes that are related or incidental to their respective functions and operations;

**WHEREAS**, the Commission on Audit (COA)-Department of Budget and Management (DBM) Joint Circular (JC) No. 2, S. 2020 prescribed the updated rules and regulations governing COS and JO workers in the government;

**WHEREAS**, Section 9.0 of COA-DBM JC No. 2, s. 2020 stipulated the payment of services of individuals hired through Job Order including the premium pay of up to 20% of their wage/salary, subject to the availability of funds;

**WHEREAS**, the DBM Budget Circular No. 2016-4, dated April 18, 2016, prescribes the "*Updated Rules and Regulations on the Grant of the Year-End Bonus and Cash Gift for FY 2016 and years thereafter*", under 4.3 thereto, provides the exemption to an entitlement of those hired without employer-employee relationships and funded from Non-Personnel Services appropriations/budgets, which may include, among others: (4.3.4) Individuals and groups of people whose services are engaged through job orders, contract of services, or other similarly situated;

**WHEREAS**, JO workers belong to the exemption as above-stated and are therefore not eligible for the Year-End Bonus and Cash Gift, thus, the City Government of Panabo has decided to disburse the premium pay of Job Order workers in lump sum payments at the end of the year. This measure aims to supplement their financial requirements throughout the holiday season;

**WHEREAS**, Republic Act No. 7160 otherwise known as the Local Government Code of 1991, authorizes each local government unit to have the autonomy to establish localized provisions anchored from national laws and rules;

**WHEREAS**, Article III, Section 8(b)(2)(c) of Republic Act No. 9015, otherwise known as the Charter of the City of Panabo, provides that the City Mayor shall "*issue such executive orders for the faithful and appropriate enforcement and execution of laws and ordinances*";

**NOW, THEREFORE, I, JOSE E. RELAMPAGOS**, City Mayor of Panabo, by virtue of the powers vested in me by law, do hereby order the Grant of Premium Pay for Job Order workers, subject to the following guidelines:

**SECTION 1. GUIDELINES.** This order shall be referred to as the Policy Guidelines for the Grant of Premium Pay for Job Order workers of the City Government of Panabo.

**SECTION 2. COVERAGE.** All Job Order (JO) workers engaged through Contracts of Service and whose contracts are **still effective as of November 30** of the current year, provided that they have rendered actual satisfactory performance of service for at least a total or an aggregate of four months.



**SECTION 3. EXCLUSION.** JO workers who are separated or no longer employed by the City as of November 30 of the current year are ineligible for the grant.

**SECTION 4. AMOUNT OF LUMP SUM PREMIUM PAY.** A uniform rate of Five Thousand Pesos (P 5,000.00) shall be granted to JO workers **not earlier than December 15** of every year, subject to the following conditions:

1. Those who have rendered four (4) months of service as of November 30 of the current year.  
Those who have rendered at least a total or an aggregate of four (4) months of service from January 1 to November 30 of the current year.
2. Those who have rendered less than four (4) months, shall be granted the Premium Pay, on a *pro rata* basis, as follows:

<i>Length of Service</i>	<i>Premium Pay</i>
3 months but less than 4 months	P 4,000.00
2 months but less than 3 months	P 3,000.00
Less than 2 months	P 2,000.00

In case of insufficiency of funds, the Premium Pay may be granted at a uniform lower rate with commensurate proration.

**SECTION 5. SOURCE OF FUND.** The payment of services for premium pay shall be charged against the Maintenance and Other Operating Expenses (MOOE) in the approved agency budget from the same Program/Activities/Projects (P/A/Ps) from which the compensation of workers engaged is sourced.

For the source, the Local Finance Committee shall look for additional funds through the issuance of a supplemental budget to be charged against the identified savings generated from completed P/A/Ps, subject to the approval of the Sanggunian pursuant to the appropriation ordinance, existing laws and issuances on the use of savings.

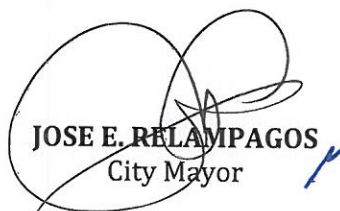
**SECTION 6. DUE DILIGENCE.** The responsibility for the appropriate execution of the Premium Pay policy lies with the accountable officials, who are expected to carry out their duties with due diligence.

The payment of the Premium Pay shall be subject to usual government accounting and auditing rules and regulations. Any unauthorized or excess payment made to any COS/JO worker shall be subject to a refund.

**SECTION 7. SEPARABILITY CLAUSE.** Should any provision of this executive order be declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**SECTION 8. EFFECTIVITY.** This order shall take effect immediately upon signing hereof.

Issued this 29<sup>th</sup> day of September, 2023 at Panabo City, Davao del Norte, Philippines.

  
**JOSE E. RELAMPAGOS**  
City Mayor