

**[ NATIONAL BUDGET CIRCULAR NO. 574, S. 2018,  
January 11, 2018 ]**

**IMPLEMENTATION OF THE INCREASE IN BASE PAY OF THE  
MILITARY AND UNIFORMED PERSONNEL (MUP) IN THE  
GOVERNMENT BEGINNING JANUARY 1, 2018, AND OTHER  
PROVISIONS OF CONGRESS JOINT RESOLUTION (JR) NO. 1, S.  
2018**

*Adopted: 10 January 2018  
Date Filed: 11 January 2018*

## **1.0 Background**

The ***Congress JR No. 1 (Joint Resolution Authorizing the Increase in Base Pay of Military and Uniformed Personnel in the Government, and for Other Purposes)*** dated January 1, 2018 provides the modified Base Pay Schedule for the MUP, which shall be implemented in two (2) years, i.e., FYs 2018 and 2019.

Said Congress JR adjusts the compensation package of the MUP to a level commensurate with their critical role in maintaining national security and peace and order, taking into consideration their exposure to high-risk environments in the performance of their duties.

Furthermore, the aforementioned Congress JR (i) suspends the indexation of pension of retired MUP to the base pay of those in the active service; (ii) stipulates the fixed amount of Hazard Pay of all MUP; and (iii) repeals the provisions of Executive Order (EO) No. 201<sup>[1]</sup>, s. 2016 on the grant of Provisional Allowance and Officers' Allowances.

The Department of Budget and Management (DBM) is directed to issue the necessary rules and regulations to implement the provisions of Congress JR No. 1, s. 2018.

## **2.0 Purpose**

This Circular is issued to prescribe the guidelines, rules, and regulations for the implementation of the modified Base Pay Schedule for the MUP beginning January 1, 2018, and other provisions of Congress JR No. 1, s. 2018.

## **3.0 Coverage**

This Circular shall apply to all military personnel of the Armed Forces of the Philippines (AFP) under the DND and uniformed personnel of the Philippine National Police (PNP), Philippine Public Safety College (PPSC), Bureau of Fire Protection (BFP), and Bureau of Jail Management and Penology (BJMP) under the

DILG; Philippine Coast Guard (PCG) under the DOTr; and the National Mapping and Resource Information Authority (NAMRIA) under the DENR.

#### **4.0 Modified Base Pay Schedule for the MUP Beginning January 1, 2018**

The first year implementation of the new base pay rates for the MUP shall be in accordance with the Modified Base Pay Schedule under Item II of Congress JR No. 1, s. 2018, attached as Annex "A" of this Circular.

The actual monthly base pay of the incumbent MUP as of December 31, 2017 shall be adjusted effective January 1, 2018 to the rates in the Modified Base Pay Schedule in Annex "A."

#### **5.0 Hazard Pay of the MUP**

The **Hazard Pay** of all MUP shall be fixed at the amount of Five Hundred Forty Pesos (P 540.00) per month, pursuant to Item IV of Congress JR No. 1, s.2018.

#### **6.0 Discontinuance of the Grant of Provisional and Officers' Allowances**

Consistent with Item VIII of Congress JR No. 1, s. 2018, the Provisional and Officers' Allowances, which were previously given to qualified MUP as an interim measure pursuant to E.O. No. 201, s. 2016, shall no longer be part of the compensation of MUP beginning January 1, 2018, in view of the implementation of the modified Base Pay Schedule authorized in the aforementioned Congress JR.

#### **7.0 Suspension of the Indexation of Pension of Retired MUP**

The indexation of the pension of retired MUP with the base pay of those in the active service shall be suspended with respect to the base pay increase authorized in Congress JR No. 1, s. 2018, following Item III thereof.

The indexation of such pension shall thus remain to be based on the rates of the Base Pay Schedule provided under Congress JR No. 4<sup>[2]</sup>, s. 2009, notwithstanding the provisions of Presidential Decree No. 1638<sup>[3]</sup>, s. 1979, as amended, Republic Act (RA) No. 8551<sup>[4]</sup>, RA No. 5976<sup>[5]</sup>, RA No. 9993<sup>[6]</sup>, and RA No. 9263<sup>[7]</sup>. This suspension shall be automatically lifted on January 1, 2019 or upon the effectivity of a pension reform law, whichever comes earlier.

#### **8.0 Procedural Guidelines**

##### **8.1 Preparation of *Notices of Base Pay Adjustment (NOBPAs)***

8.1.1 The Human Resource Management Officer (HRMO)/ Administrative Officer (AO) of agencies concerned shall prepare NOBPAs for incumbent MUP using the attached format indicated in Annex "B," subject to approval by the Head of the Agency.

8.1.2 The NOBPAs shall be issued to the personnel concerned.