CPCS CIRCULAR NO. 2021-004

SUBJECT : GRANT OF HAZARD PAY

DATE : 12 JAN 2022

1. **LEGAL BASES.** – Executive Order (E.O.) No. 150, s.2021 approved the Compensation and Position Classification System (CPCS) and the Index of Occupational Services, Position Titles, And Job Grades for GOCCs (IOS-G) Framework.

   Section 5 of the said E.O. provides that “[t]he existing compensation granted by GOCCs to its officers and employees shall be standardized in accordance with the CPCS approved under this Order.”

   Under Chapter VI(B)(2) of the CPCS, officers and employees of GOCCs shall be entitled to allowances and benefits given under specific conditions and situations related to the actual performance of work, including Hazard Pay.

   Further, the same Section provides that “[t]he prescribed rates, guidelines, and regulations to be promulgated by the GCG shall be based on the applicable standardized compensation laws and issuances for National Government Agencies.”

   This Circular is being issued pursuant to the above directive.

2. **COVERAGE.** – This Circular shall apply to all officers and employees, whether regular, contractual, or casual in nature, of GOCCs and their subsidiaries covered under Republic Act (R.A.) No. 10149.1

3. **EXCLUSIONS.** – The following are excluded from the coverage of this Circular:

   3.1. Officers and employees of GOCCs with approved abolition or deactivation orders;2

   3.2. Individuals hired by GOCCs without employer-employee relationships and/or those whose compensation is not sourced from Personal Services appropriations/budgets of their respective GOCCs, as follows:

       (a) Members of the Governing Board;

       (b) Consultants and experts hired to perform specific activities or services with expected outputs;

       (c) Laborers hired through job contracts (pakyaw) and those paid on piecework basis;

       (d) Student laborers and apprentices; and

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1 GOCC Governance Act of 2011.
2 Section 1, E.O. No. 150, s.2021.
(e) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

3.3. Those entitled to hazard pay or other similar allowances under existing laws, such as the military and uniformed personnel, public health workers, scientists, engineers, researchers, and technology personnel.

4. **GRANT OF HAZARD PAY.**

4.1. GOCCs may grant Hazard Pay to their officers and employees subject to the rates and conditions below:³

<table>
<thead>
<tr>
<th>Period of Assignment in Work Days</th>
<th>Monthly Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 7 days</td>
<td>₱400</td>
</tr>
<tr>
<td>8 to 14 days</td>
<td>500</td>
</tr>
<tr>
<td>15 or more days</td>
<td>600</td>
</tr>
</tbody>
</table>

4.1.1. The officers and employees are actually assigned to, and performing their duties in, strife-torn or embattled areas.

4.1.2. The areas of assignment have been determined and certified by the Secretary of National Defense, or his authorized representative as strife-torn or embattled areas.

4.2. The periods of entitlement to Hazard Pay shall be coterminous with the duration of the actual assignments of the personnel in strife-torn or embattled areas, but in no case shall they exceed three (3) months. Such entitlement to Hazard Pay may be renewed as deemed necessary by the Governing Board, subject to Sections 4.1.1 and 4.1.2 above.

4.3. Those who work on a part-time basis shall receive half of the amounts received by full-time personnel in the same situation.

4.4. Officers and employees exposed to hazardous situations under 4.1.1 shall no longer be entitled to receive Hazard Pay when they are under the following instances for one (1) full calendar month or more:

4.4.1. When on vacation, sick or study leave, with or without pay;

4.4.2. When on maternity leave;

4.4.3. When on terminal leave;

4.4.4. When on detail with another agency wherein they are no longer actually exposed to hazardous situations;

4.4.5. When on attendance in training course/scholarship grants/seminars/similar activities; and

4.4.6. When on official travel outside of their official stations.

³ Rates are based on Department of Budget and Management (DBM) Budget Circular No. 2005-4.
5. **Funding Source.** — The funding for the payment of the Hazard Pay to qualified officers and employees shall be charged against the savings from the respective approved corporate operating budgets (COBs) of GOCCs. However, it shall be prohibited to source the payment of the said incentive from the following:

(a) Loans;

(b) Sale of the GOCC’s asset(s) for the sole purpose of paying the Hazard Pay; and

(c) Other schemes analogous to the foregoing.

Furthermore, the GOCCs shall not increase their service fees for the purpose of augmenting any deficiencies in the amounts prescribed herein, and neither shall the grant of Hazard Pay adversely affect the implementation of programs/projects, as well as the attainment of performance targets.

6. **Responsibility of the GOCCs.** — The GOCCs, acting through their Governing Boards, shall be responsible for the proper implementation of this Circular, without prejudice to the refund by the employees concerned of any excess or unauthorized payments.

7. **Repealing Clause.** — All other GCG orders, circulars, issuances, and decisions, Board resolutions, or parts thereof, which are inconsistent with this Circular are hereby repealed or modified accordingly.

8. **Resolution of Cases.** — Cases not covered by this Circular shall be referred to the GCG for resolution.

9. **Effectivity Clause.** — This Circular shall take effect immediately upon its publication in the Official Gazette or in a newspaper of general circulation, and upon receipt of a formal copy by the University of the Philippines – Office of the National Administrative Registrar (UP-ONAR).

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**Signature Page**

**SAMUEL G. DAPRIN JR.**
Chairman

**MICHAEL P. CLORIBEL**
Commissioner

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OIC, DBM

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