



MEMORANDUM CIRCULAR NO. 42
Series of 2026

TO : SENIOR DEPUTY ADMINISTRATOR, DEPUTY ADMINISTRATORS,
DEPARTMENT/ REGIONAL/ PROJECT MANAGERS, AND ALL
OTHERS CONCERNED

SUBJECT : GUIDELINES ON THE ENGAGEMENT, MANAGEMENT, AND
TRANSITION OF CONTRACT OF SERVICE (COS) AND JOB ORDER
PERSONNEL IN THE NATIONAL IRRIGATION ADMINISTRATION

Pursuant to CSC–COA–DBM Joint Circular No. 1, Series of 2025, and in line with the National Irrigation Administration’s thrust on workforce rationalization, succession planning, and prudent fiscal management, this Memorandum Circular is hereby issued to provide guidelines on the engagement of Contract of Service (COS) and Job Order (JO) personnel, for the information, guidance, and compliance of all concerned.

1. POLICY BASIS

This MC is issued in accordance with the following pertinent provisions of Joint Circular No. 1, Series of 2025:

- 1.1** Contract of Service (COS) personnel are engaged through civil contracts and are not considered government employees;
- 1.2** Job Order (JO) personnel refers to a piece of work (*pakyaw*), intermittent, emergency, or short-duration manual or trades services, and are likewise not government employees;
- 1.3** COS engagements shall be time-bound, output-based, while JO engagements shall be tasked-based or piece-based, and neither shall give rise to an employer–employee relationship;
- 1.4** COS and JO personnel shall not be engaged to perform functions that are regular and continuing in nature;
- 1.5** Agencies shall rationalize and limit COS and JO engagements to prevent continuous or recurring contractual arrangements;



1.6 Approving officials shall be accountable for ensuring the necessity, availability of funds, and compliance with applicable budgeting, accounting and auditing rules; and

1.7 Government agencies may enter a COS within individuals as consultants, learning service providers or technical experts, provided, that the term of contract between the agency and the individual contractor shall be for a maximum period of one (1) year, renewable at the option of the head of the agency, but in no case shall exceed the term of the latter.

2. GENERAL POLICY

2.1 Engagement of COS personnel shall be allowed only when the required service is necessary, technical, specialized, or project-based, and cannot be adequately performed by existing plantilla positions;

2.2 Engagement of JO personnel shall be allowed only for emergency, intermittent, or short-duration services, including manual or trades work that is not part of the Agency's regular functions; and

2.3 COS and JO engagements shall not be used as a substitute for plantilla positions nor as a means to circumvent civil service and staffing regulations.

3. DEFINITION OF TERMS

3.1 Contract of Service refers to the engagement of the services of an individual, private firm, other government agency, non-governmental agency or international organization as consultant, learning service provider or technical expert to undertake special project or job within a specific period;

3.2 Contractor or Service Provider refers to an individual, a government agency, or a private or a non-government entity that is duly-registered and recognized by authorized government agencies to provide consultancy services in their respective fields of expertise;

3.3 Institutional Contract refers to the agreement between the government agency and contractor or service provider duly-registered and recognized by authorized government agencies to provide services such as janitorial, security, and other support services;

3.4 Job Order refers to piece of work (pakyaw) or intermittent or emergency jobs such as cleaning of debris on the roads, canals and waterways, etc. after natural/man-made disasters/occurrences, and other manual/trades and crafts services such as carpentry, plumbing, electrical, and the like. These jobs are of short duration and for a specific piece of work; and

3.5 Support services may include janitorial, security, driving, data encoding, equipment and grounds maintenance, and other services that support the day-to-day operations of the agency.

4. ENGAGEMENT OF RETIRED EMPLOYEES UNDER COS

4.1 As a matter of policy, the engagement of retired employees under Contract of Service (COS) arrangements shall be limited and shall be considered only in accordance with the conditions set forth in Section 4.2 hereof.

4.2 Engagement of retired employees *may be allowed* only on an exceptional basis, subject to the following conditions:

- a. The service required is highly specialized, technical, or advisory in nature, and cannot be readily performed by existing personnel;
- b. The engagement is strictly time-bound, output-based, and non-regular, and does not involve supervisory, control, or decision-making functions; and
- c. The engagement does not undermine approved succession plans and includes appropriate knowledge transfer to internal personnel.

5. CONTRACT DURATION AND RENEWAL

5.1 Subject to the maximum one (1) year period prescribed under CSC-COA-DBM Joint Circular No. 1, Series of 2025, COS contracts in the NIA shall, as an internal management policy, be issued for a minimum period of three (3) months per contract;

5.2 Renewal of COS contracts shall be subject to satisfactory performance, continuing necessity of the service, availability of funds, and compliance with applicable laws and rules;

5.3 JO engagements shall be limited to the actual duration necessary to complete the assigned task or piece of work and shall automatically terminate upon completion thereof; and

5.4 Repeated renewals shall be closely and strictly monitored to avoid continuous or permanent engagement.

5.5 Performance Evaluation Requirement

All COS and JO personnel shall be subject to performance evaluation through an Individual Performance Commitment and Review (IPCR) or equivalent performance monitoring tool to assess the quality and timeliness of their outputs.

For purposes of contract renewal, COS and JO personnel must obtain a performance rating of at least *“Very Satisfactory”* based on the prescribed evaluation system of the Agency.

6. CREATION OF NEW COS AND JO

6.1 As a general policy, the engagement of new COS and JO personnel shall be limited and shall be undertaken only when clearly justified, consistent with the policy of rationalizing contractual personnel and preventing continuous or institutionalized engagements.

6.2 Individual Contract of Service (Individual COS) engagements may be allowed only for the direct engagement of an individual consultant, learning service provider, or technical expert, where the required service is specialized, technical, or project-based and cannot be adequately performed by existing plantilla personnel.

6.3 Institutional Contract of Service (Institutional COS) arrangements where services are provided through firms, companies, or entities, including outsourced or lump-sum services shall be governed by applicable procurement laws, rules, and regulations, including Republic Act No. 9184 and its implementing rules, and shall not be treated as Individual COS engagements under this Memorandum.

6.4 The creation of Individual COS or JO engagements shall require a written justification, processed and approved strictly in accordance with existing laws, rules, and regulations.

6.5 The justification shall clearly certify that:

- a.** The specific duties, scope of work, and expected outputs or deliverables to be performed, as reflected in the approved Terms of Reference or contract;
- b.** That no vacant plantilla position exists for the function to be performed;
- c.** That no qualified existing personnel are available to undertake the required service;
- d.** That the engagement is time-bound, output-based, and non-regular in nature; and
- e.** That the service does not constitute a regular, recurring, or institutional function of the Agency.

6.6 Prohibition on Nepotism

Engagement of Contract of Service (COS) and Job Order (JO) personnel shall be subject to the provisions of existing Civil Service laws, rules, and regulations on nepotism.

Accordingly:

a. No individual shall be engaged under COS or JO if he or she is related within the **third (3rd) degree** of consanguinity or affinity to the appointing or recommending authority, the chief of the bureau or office, or the person exercising immediate supervision over the personnel concerned;

b. All Heads of Offices shall ensure that engagements under COS and JO arrangements comply with the prohibition on nepotism and other applicable civil service regulations;

c. Any engagement found to be in violation of the nepotism rule shall be subject to review and may be disallowed or terminated, without prejudice to the administrative liability of the officials responsible.

6.7 Qualification Standards

Individuals engaged under Contract of Service (COS) shall possess the necessary qualifications, competencies, and experience relevant to the required service, consistent with applicable Civil Service Commission policies and comparable government standards.

7. TRANSITION TO OUTSOURCED SERVICES

7.1 Ancillary, support-oriented, or non-core services that are more appropriately delivered through outsourcing shall be identified and gradually transitioned to institutional or outsourced arrangements, subject to procurement, budgeting, and auditing rules;

7.2 These services may include, but are not limited to, security, janitorial, maintenance, clerical support, information technology support, equipment operation, and similar services; and

7.3 COS and JO engagements covering such services shall not be renewed once outsourcing arrangements are in place. Any transition-related engagement shall be governed strictly by existing laws, rules, and regulations and shall be limited to activities necessary to ensure continuity of services during the transition period.

8. COMPENSATION AND FUNDING

8.1 Individuals engaged through COS shall be paid the prevailing market rate or the salary of comparable positions in the government;

8.2 Individuals engaged through JO shall be paid the daily wage of comparable positions in the government;

8.3 Subject to the availability of funds and in accordance with existing laws, rules, and regulations, the Agency shall provide a premium not exceeding twenty percent (20%) of the salary or wage of COS and JO personnel. Such premium shall form part of the compensation for purposes of computing applicable statutory contributions, when required under existing laws and regulations.

8.4 Payment of services of COS and JO personnel, including approved premiums, shall be charged against the MOOE component of the Agency's approved budget.

9. ANCILLARY BENEFITS OF COS AND JO PERSONNEL

9.1 Subject to the availability of funds and compliance with existing laws, rules, and regulations, COS and JO personnel may be granted ancillary benefits under their respective contracts, consistent with CSC-COA-DBM Joint Circular No. 1, s. 2025, and other applicable CSC issuances.

9.2 The following ancillary benefits may be granted, as may be applicable:

- a) **Overtime Pay** – COS and JO personnel may be entitled to overtime pay for services rendered beyond the prescribed working hours, including work performed during rest days or holidays, subject to the same rules and regulations applicable to government personnel and existing budgeting and accounting rules;
- b) **Reimbursement of Official Local Travel Expenses** – While on official local travel, COS and JO personnel may be reimbursed actual and necessary travel expenses, subject to existing travel, budgeting, accounting, and auditing rules and regulations; and
- c) **Flexible Work Arrangements (FWA)** – COS and JO personnel may be considered for flexible work arrangements, such as work-from-home or alternative work arrangements, subject to the nature of their functions and applicable government policies.
- d) **Wellness Leave** – In accordance with CSC Memorandum Circular No. 1, s. 2026, the grant of Wellness Leave to COS and JO personnel shall be subject to the provisions of their individual contracts and the relevant issuances governing their engagement.

9.3 The grant of additional ancillary benefits, other than those enumerated herein, may be authorized only when consistent with existing laws, rules, and regulations, and subject to the availability of funds and approval of Management.

10. TRANSITORY PROVISIONS

10.1 In accordance with CSC-COA-DBM Joint Circular No. 1, Series of 2025, the Agency shall not increase the total number of COS and JO personnel beyond the baseline number of existing COS and JO workers with valid contracts as of December 31, 2025, unless otherwise authorized under applicable laws and rules.

10.2 All Offices shall review their existing COS and JO engagements to identify gaps in regular functions and determine appropriate staffing interventions, including the creation of plantilla positions for regular and continuing functions, subject to DBM and governing authority approval.

10.3 Qualified existing COS and JO personnel may be considered for appointment to vacant plantilla positions, subject to civil service laws, rules, and regulations, and the Agency's approved Merit Selection Plan, consistent with the principles of equal opportunity and non-discrimination.

10.4 For institutional or outsourced service contracts, the Agency shall include provisions requiring contractors or service providers to consider qualified existing COS and JO personnel during recruitment or hiring, whenever practicable.

10.5 Replacement of COS and JO Personnel

Replacement of COS and JO personnel due to resignation, termination, or completion of contract may be allowed, provided that such replacement shall not result in exceeding the approved baseline number of COS and JO personnel as of December 31, 2025, and shall not be construed as the creation of new or additional positions. All replacement engagements shall remain subject to the requirements on justification, qualifications, availability of funds, and other applicable provisions of this Memorandum and existing laws, rules, and regulations.

11. EXCLUSIONS

COS and JO workers whose service payments are accounted as Engineering and Administrative Overhead Expenses (EAOE) of the concerned departments, as authorized in the particular year's General Appropriations Act (GAA).

12. NON-REASSIGNMENT OF COS PERSONNEL

12.1 COS and JO personnel shall perform only the specific services stipulated in their contracts and shall not be reassigned to another office or function;

12.2 COS and JO personnel shall not be reassigned to another office or function and designated to supervisory, control or decision-making positions; and

12.3 Any deviation from the foregoing provisions shall be allowed only when expressly authorized under existing laws, rules, or duly issued government policies, and shall be supported by appropriate legal basis and documentation.

13. MONITORING OF REPORTS

13.1 Heads of Offices shall be directly accountable for the propriety, necessity, and supervision of COS and JO personnel under their jurisdiction;

13.2 The Management Services Division–Corporate Planning Services (MSD–CORPLAN), and Human Resources Division, Administrative Department (HRD–AD) shall jointly monitor compliance with this Memorandum on a monthly basis, with copies of monitoring results furnished to the Financial Management Department (FMD). Consolidated quarterly compliance reports shall be submitted to Management for presentation and discussion during Executive Committee Meetings (EXECOM); and

13.3 A centralized COS and JO database and inventory shall be maintained, updated every end of the month and made available for CSC, COA, DBM and internal audit review, consistent with Joint Circular reporting requirements.

14. EFFECTIVITY

This Memorandum shall take effect immediately and shall remain in force until amended or repealed by subsequent issuance.

For strict compliance.


ENGR. EDUARDO EDDIE G. GUILLEN
Administrator

Date: 22 APR 2026



**CIVIL SERVICE COMMISSION
COMMISSION ON AUDIT
DEPARTMENT OF BUDGET AND MANAGEMENT
JOINT CIRCULAR NO. 1, s. 2025
December 15, 2025**

TO : ALL HEADS OF CONSTITUTIONAL BODIES, NATIONAL GOVERNMENT AGENCIES (NGAs), GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS (GOCCs) WITH ORIGINAL CHARTERS, and STATE UNIVERSITIES AND COLLEGES (SUCs)

SUBJECT : REVISED RULES AND REGULATIONS ON THE ENGAGEMENT OF THE CONTRACT OF SERVICE AND JOB ORDER WORKERS IN THE GOVERNMENT

1.0 Background

There has been a noticeable increase in the number of workers engaged by the different agencies of government through contract of service (COS) and job order (JO).

Furthermore, it has been observed that while the guidelines issued by the Civil Service Commission (CSC), Commission on Audit (COA), and the Department of Budget and Management (DBM) outline the general parameters for the engagement of the COS and JO workers, the implementation of the same across agencies have been inconsistent and ambiguous.

It is also worth noting that the issue of job contractualization in government has been a recurring concern even during previous Administrations.

Corollary, in line with the directive of the President, the COA-DBM Joint Circular (JC) No. 2, s. 2024 was issued with the following provisions:

*“Departments/agencies may engage the services of new COS/JO workers through individual contracts and renew the individual contracts of their existing COS/JO workers **until December 31, 2025.***

Thereafter, the engagement of services of COS/JO workers shall be in accordance with the provisions of COA-DBM JC No. 2, s. 2020, as well as any subsequent guidelines, rules, and regulations issued by the COA, DBM, and other concerned parties. “

In order to provide a cohesive and accountable framework that balances operational efficiency and fiscal discipline, while also protecting the welfare of workers, it is necessary to revise the rules and regulations governing the engagement of the COS and JO workers in the government.

2.0 Policy Statement

Government agencies have the authority to enter into service contracts with other government agencies, private firms, individuals, or non-government organizations for services related or incidental to their respective functions and operations, whether on part-time or full-time basis.

3.0 Purpose

This JC is issued to prescribe the revised rules and regulations governing the engagement of the COS and JO workers.

4.0 Coverage

This JC covers all NGAs, GOCCs with original charters, SUCs, and constitutional bodies engaging the services of the COS or JO workers.

5.0 Exclusions

The following are excluded from the coverage of this Circular:

5.1 COS and JO workers whose service payments are accounted as Engineering and Administrative Overhead Expenses (EAOE) of the concerned departments, as authorized in the particular year's General Appropriations Act (GAA); and

5.2 COS or JO workers engaged by the local government units (LGUs).

6.0 Definition of Terms

6.1 **Contract of Service** refers to the engagement of the services of an individual, private firm, other government agency, non-governmental agency or international organization as consultant, learning service provider or technical expert to undertake special project or job within a specific period.

6.2 **Contractor or Service Provider** refers to an individual, a government agency or a private or a non-government entity that is duly-registered and recognized by authorized government agencies to provide consultancy services in their respective fields of expertise.

6.3 **Institutional Contract** refers to the agreement between the government agency and contractor or service provider duly-registered and recognized by authorized government agencies to provide services such as janitorial, security, consultancy, and other support services.

- 6.4 **Job Order** refers to piece work (*pakyaw*) or intermittent or emergency jobs such as clearing of debris on the roads, canals, and waterways, etc. after natural/man-made disasters/occurrences, and other manual/trades and crafts services such as carpentry, plumbing, electrical, and the like. These jobs are of short duration and for a specific piece of work.
- 6.5 **Support services** may include janitorial, security, driving, data encoding, equipment and grounds maintenance, and other services that support the day-to-day operations of the agency.

7.0 Contract of Service

7.1 Institutional Contract of Service

As a general rule, government agencies may engage outsourced services through institutional COS, subject to the following conditions:

- 7.1.1 Institutional COS covers lump sum work or services to perform janitorial, security, consultancy, and other support functions, subject to the provisions of Republic Act (RA) No. 12009 or the *New Government Procurement Act* and its Implementing Rules and Regulations, and pertinent budgeting, accounting, and auditing rules and regulations.

The contractor or service provider should meet the following requirements:

- a) Duly registered with the Department of Labor and Employment;
 - b) Duly registered with the Bureau of Internal Revenue;
 - c) For sole proprietorship, duly registered with the Department of Trade and Industry;
 - d) For corporations and partnerships, duly registered with the Securities and Exchange Commission; and
 - e) Must be an active employer registered with the following agencies:
 - 1) Social Security System (SSS);
 - 2) Home Development Mutual Fund (Pag-IBIG Fund); and
 - 3) Philippine Health Insurance Corporation (PhilHealth).
- 7.1.2 Workers hired through Institutional COS shall remain to be employees of the contractor or service provider.

7.1.3 The discipline of workers under the institutional COS shall be the responsibility of the contractor or service provider. The head of the procuring entity may report to the contractor or service provider any misconduct or wrongdoing of said worker/s.

7.1.4 The contractor or service provider shall be responsible for providing the workers with compensation and benefits compliant with the existing labor law¹, including the necessary social security and other benefits mandated by law, in addition to the direct compensation as payment for their services.

7.2 Individual Contract of Service

Government agencies may enter a COS with individuals as consultants, learning service providers or technical experts, provided, that the term of contract between the agency and the individual contractor shall be for a maximum period of one (1) year, renewable at the option of the head of the agency, but in no case shall exceed the term of the latter.

8.0 Job Order

Government agencies may hire JO workers subject to the following conditions:

8.1 The services of a JO worker are either paid according to an agreed contract amount for the piece of work or on a daily wage basis.

8.2 Contracting the services of the JO workers shall be subject to pertinent budgeting, accounting, and auditing rules and regulations.

9.0 Limitations

9.1 Hiring under the COS shall be limited to consultants, learning service providers, and/or other technical experts to undertake special project or job within a specific period. The project or job is not part of the regular functions of the agency, or the expertise is not available in the agency, or it is impractical or more expensive for the agency to directly undertake the service provided by the individual or institutional contractor.

9.2 Hiring of the JO workers shall be limited to emergency or intermittent work, such as clearing of debris on the roads, canals, and waterways, etc. after natural/man-made disasters/occurrences; other trades and crafts, and manual tasks, such as carpentry, plumbing, painting, electrical, and the like which are not part of the regular functions of the agency.

9.3 COS and JO workers should not, in any case, be made to perform functions which are part of the job description of the agency's regular employees.

¹ Title II (Wages), Book 3 (Conditions of Employment) of Presidential Decree No. 442 or the Labor Code of the Philippines

- 9.4 COS and JO workers should not be designated to positions exercising control or supervision over regular and career employees.
- 9.5 The services of the COS and JO workers are not covered by Civil Service laws, rules, and regulations, thus, **not** creditable as government service. They do not enjoy the privileges/benefits that government employees receive, such as leaves, Personnel Economic Relief Allowance, and Representation and Transportation Allowances, among other bonuses, allowances, and incentives.

10.0 Payment of Services of Individual COS and JO Workers

- 10.1 Individuals hired through COS shall be paid the prevailing market rate or the salary of comparable positions in the government.

Individuals hired through JO shall be paid the daily wage of comparable positions in the government.

- 10.2 Agencies shall provide a premium not exceeding 20% of the salary/wage of the COS and JO workers, subject to funding availability.

The premium payments will cover the worker's contributions, classified as voluntary or self-employed membership, to government-mandated social security programs (SSS, PhilHealth, and the Pag-IBIG Fund) ensuring access to social insurance, housing and loan facility, and healthcare.

- 10.3 The payment of services of the COS and JO workers shall be charged against the MOOE component of the approved agency budget.

11.0 Ancillary Benefits of COS and JO Workers

- 11.1 Subject to the availability of funds, the following ancillary benefits shall be provided to the COS and JO workers under their respective contracts or agreements:

11.1.1 Overtime Pay

- (i) COS and JO workers shall receive overtime pay for services rendered beyond official working hours or on rest days/holidays/non-working days, subject to the same rules and regulations prescribed under the CSC-DBM JC No. 2, s. 2015².
- (ii) Payment of the overtime services will come from the same MOOE item as the service payments of the COS and JO workers.

² Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees (November 25, 2015)

11.1.2 Reimbursement of expenses for official local travel

- (i) While on official local travel, the COS and JO workers shall be allowed reimbursement of actual travel expenses, subject to the rules and regulations prescribed under Executive Order No. 77, s. 2019³, any subsequent amendments thereto, and other applicable budgeting, accounting and auditing rules and regulations.
- (ii) Funds needed for the purpose shall be charged against the appropriations for travel expenses in the annual agency budgets.

11.1.3 Flexible Work Arrangement (FWA)

- (i) With due consideration of their functions and tasks, the COS and JO workers may be considered for the FWA, subject to the guidelines prescribed under the COA-DBM JC No. 1, s. 2022⁴, as well as any subsequent issuances on the matter.

11.2 The grant of additional ancillary benefit(s) to the COS and JO workers may be authorized, subject to the availability of funds and compliance with existing relevant laws, rules, and regulations, including any subsequent guidelines that may be issued and deemed applicable for the purpose.

12.0 Transitory Provisions

12.1 To effectively manage their COS and JO workers, agencies shall no longer be allowed to increase the number of their COS and JO workers beyond the current number.

To establish the baseline data for this purpose, all government agencies covered by this JC shall prepare an inventory⁵ of their respective COS and JO workers whose contracts remain valid until **December 31, 2025**.

12.2 Government agencies shall review their systems of operations to address gaps, if any, and determine the appropriate staffing complement for the performance of their regular functions and undertaking of programs/activities/projects of limited duration or temporary in nature.

Permanent positions may be created for regular functions, while casual or contractual personnel may be hired for projects and activities that are temporary in nature, subject to the evaluation of the DBM or the

³ Prescribing Rules and Regulations and Rates of Expenses and Allowances for Official Local and Foreign Travels of Government Personnel (March 15, 2019)

⁴ Policies on the Adoption of Flexible Work Arrangements for Contract of Service (COS) and Job Order (JO) Workers in Government (September 13, 2022)

⁵ Attached as Annex "A" (Template for the Report on the Inventory of Existing COS and JO Workers as of December 31, 2025)

Governance Commission for GOCCs, as well as the existing budgeting, accounting, and auditing rules and regulations.

In addition, government agencies shall consider their existing COS and JO workers in the preparation of their respective Optimization Plans, pursuant to **RA No. 12231 or the Government Optimization Act**. This is vital in order to absorb the qualified COS/JO workers in the plantilla positions that will be created in agencies concerned, in line with the implementation of RA No. 12231.

- 12.3 The existing qualified COS and JO workers shall be considered for appointment by the government agencies to their vacant positions, subject to the existing civil service laws, rules, and regulations, and the agency's CSC-approved Merit Selection Plan, while ensuring adherence to the equal opportunity and non-discrimination policies in their selection and appointment of personnel.

Furthermore, agencies are encouraged to strengthen their selection and recruitment processes to keep a low vacancy rate and ensure a stable and well-functioning workforce.

- 12.4 Government agencies must include a provision in their institutional contracts with a contractor or service provider stipulating that the existing qualified COS and JO workers of the agency shall be considered during the recruitment or hiring processes of the contractor or service provider.

13.0 Reportorial Requirement

Each agency shall submit to the COA, copy furnished the CSC and the DBM, the Inventory of the existing COS and JO workers with valid contracts as of December 31, 2025, using the template provided in **Annex "A"**, not later than January 31, 2026.

The COA shall ensure the strict compliance of agencies with the reportorial requirement set forth in this Circular.

14.0 Responsibilities of Agency Heads

Agency heads shall:

- 14.1 Cause the preparation and issuance of internal rules and guidelines on the engagement of the COS and JO workers within their respective agencies in accordance with the rules and regulations prescribed under this JC.

These internal rules and guidelines should include details on service payments and any ancillary benefits extended to the COS and JO workers.

For reference, **Annex "B"** contains illustrative examples on the computation of pay and premium payments.

14.2 Provide support programs to enhance the welfare of the COS and JO workers such as review sessions to prepare them for the civil service exams, and training programs to improve their job-related skills, etc., subject to the existing budgeting, accounting, and auditing rules and regulations.

14.3 Be held accountable for the proper implementation of the provisions of this JC and may be held liable for any administrative, civil or criminal liabilities in accordance with existing laws.

15.0 Resolution of Issues

Issues and concerns that may arise in the implementation of these rules and regulations shall be resolved by the CSC, COA, and DBM, as appropriate.

16.0 Audit

All transactions related to this JC shall be subject to the usual accounting and auditing rules and regulations.

17.0 Repealing Clause


All issuances, orders, rules and regulations on the engagement of services of the COS/JO workers that are inconsistent with the provisions of this JC are hereby repealed or modified accordingly.

18.0 Effectivity

This JC shall take effect 15 days after its publication in a newspaper of general circulation and after filing thereof in the Office of the National Administrative Register at the University of the Philippines Law Center.


ATTY. MARILYN B. YAP, DPA
Chairperson
Civil Service Commission


ATTY. GAMALIEL A. CORDOBA
Chairperson
Commission on Audit


ROLANDO U. TOLEDO
Acting Secretary
Department of Budget and Management



**Report on the Inventory of the Existing Contract of Service (COS) and
Job Order (JO) Workers
With Valid Contracts as of December 31, 2025**

Department/Agency: _____

Type of Worker	Number		
	Female	Male	Total
Individual COS			
JO			
Total			

Prepared by:

Certified Correct:

Head, Human Resource Management Unit

Agency Head

Illustrative Examples

An agency engaged the services of a Project Officer under a contract of service (COS) agreement as a technical expert for a period of six (6) months, from July 1, 2025 until December 31, 2025.

For his services, the Project Officer shall receive a daily pay of ₱2,332 (comparable to the equivalent daily wage rate of Project Development Officer III, Salary Grade-18).

As stipulated in his contract, he shall be given a 20% premium on top of his pay, to be paid monthly, and shall also be covered by the alternative work arrangements (AWA) under the agency's internal rules and regulations.

Illustrative Example 1

The Project Officer rendered 21 days of onsite services from July 1 to July 29, 2025, and was absent on July 30 and 31, 2025.

For the month of July 2025, his service payment shall be computed as follows:

(A) Daily Rate x Actual Service	= ₱2,332.00 x 21
	= ₱48,972.00
(B) Monthly Premium	= ₱48,972.00 x 20%
	= ₱9,794.40
Total Service Payment for July 2025 (A+B)	= ₱58,766.40

Illustrative Example 2

In September 2025, the Office of the President suspended work in government offices, from September 22 to 24, 2025 due to continuous rainfall brought about by the Southwest Monsoon. However, agencies may implement the AWA during this period.

During this time, the subject agency imposed a work-from-home (WFH) arrangement for its entire workforce, including the engaged COS workers.

The Project Officer rendered 22 days of actual service from September 1 to 30, 2025, i.e., 19 days onsite and 3 days WFH.

For the month of September 2025, his service payment shall be computed as follows:

(A) Daily Rate x Actual Service	= ₱2,332.00 x 22
	= ₱51,304.00
(B) Monthly Premium	= ₱51,304.00 x 20%
	= ₱10,260.80
Total Service Payment for September 2025 (A+B)	= ₱61,564.80