

**[ DBM NATIONAL BUDGET CIRCULAR NO. 483,  
OCTOBER 29, 2002, October 29, 2002 ]**

**GUIDELINES FOR THE INITIAL IMPLEMENTATION OF THE NEW  
SALARY STRUCTURE FOR OFFICERS AND ENLISTED PERSONNEL  
OF THE AFP**

**1.0  
Purpose**

This Circular is being issued to prescribe rules and regulations to govern the initial implementation of the new salary structure for the officers and enlisted personnel of the AFP pursuant to Section 2 of Republic Act (RA) No. 9166, "An Act Promoting the Welfare of the Armed Forces of the Philippines by Increasing the Rate of Base Pay and Other Benefits of its Officers and Enlisted Personnel, and for Other Purposes".

**2.0  
Coverage**

This Circular cover all officers and enlisted personnel of the AFP who are in the active service, cadets of the Philippine Military Academy, officer candidates and candidate soldiers.

**3.0  
Policy Statements**

Section 2 of RA 9166 provides that the rate of base pay of officers and enlisted personnel of the AFP shall be adjusted in accordance with the following salary grade assignments per rank:

<b>Rank</b>	<b>Salary Grade</b>
General	30
Lieutenant General	29
Major General	28
Brigadier General	27
Colonel	26
Lieutenant Colonel	25
Major	24
Captain	23
First Lieutenant	22
Second Lieutenant	21
Cadet/P2 Lt.	19
Chief Master Sergeant	18
Senior Master Sergeant	17
Master Sergeant	16
Technical Sergeant	15
Staff Sergeant	14
Sergeant	13

Corporal	12
Private First Class	11
Private	10
Candidate Soldier	7

3.2 Section 6 of the Implementing Rules and Regulations (IRR) of RA 9166 provides, among others, that the rate of pay for each corresponding salary grade shall be equal to the base pay of the Philippine National Police (PNP) uniformed personnel as adjusted under RA 8551, which was based on the salary schedule for civilian personnel in Annex B under National Budget Circular (NBC) No. 458 s. 1997.

3.3 Section 13 of the IRR of RA 9166 provides, among others, that the increase in base pay shall be implemented in three (3) phases; the initial phase of which shall be implemented not later than October 1, 2002 at a uniform rate of twenty percent (20%) of the base pay increase/differential authorized for each rank.

#### **4.0 Implementing Rules**

4.1 The present base pay of an officer and enlisted personnel of the AFP for purposes of this Circular shall mean the base pay received as of September 30, 2002 as prescribed under Section 5.2.1 of NBC 474, corresponding to their designated ranks.

4.2 The base pay of the officers and enlisted personnel of the AFP shall be adjusted effective October 1, 2002 in accordance with the rates prescribed in the First Interim Salary Schedule hereto attached and marked as Annex A of this Circular.

4.3 The rates contained in said Salary Schedule shall be used as basis for computing longevity pay, year-end bonus and retirement benefits. The existing rates of all other allowances and collateral benefits shall be maintained.

#### **5.0 Prohibition**

Unless allowed by law and/or executive order, the Secretary of the Department of National Defense is prohibited from granting any adjustment in excess of the amounts herein authorized.

#### **6.0 Funding Source**

The amount necessary to initially implement the new Salary Schedule shall be charged against the appropriations savings of each Major Service and KBU of the AFP.

#### **7.0 Responsibility of the Major Service and KBU Commanders**

The Commanders of the Major Services and KBUs shall be held liable for any payment of salary adjustment not in accordance with the provisions of this Circular, without prejudice however, to the refund of any excess payment by the personnel concerned.

#### **8.0**