



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GEN. SOLANO ST., SAN MIGUEL, MANILA

BUDGET CIRCULAR

No. 2021 - 2
August 25, 2021

TO : All Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs); Government-Owned or -Controlled Corporations (GOCCs); Local Government Units (LGUs); and All Others Concerned

SUBJECT : MODIFICATION OF NURSE POSITIONS

1.0 Background

Department Budget and Management (DBM) Budget Circular (BC) No. 2020-4 dated July 17, 2020 provided the rules and regulations on the upgrading of the entry-level of Nurse positions from Salary Grade (SG)-11 to SG-15 pursuant to Section 32 of Republic Act (RA) No. 9173 or the Philippine Nursing Act of 2002. To note, the Supreme Court of the Philippines, in *Ang Nars Partylist, et. al. vs. The Executive Secretary, et. al.* (G.R. No. 215746), upheld the validity of the aforesaid Section of RA No. 9173.

As a consequence of the upgrading of the entry-level Nurse positions, the position attributes of the remaining levels in the Nurse series of positions were also modified under DBM BC No. 2020-4 resulting in a leaner series, i.e., from seven (7) to six (6) position levels. The changes in the position attributes of the non-entry-level Nurse positions were limited to the numerical suffixes as the SG allocations were retained.

On June 1, 2021, the Office of the President (OP), per Memorandum of the Executive Secretary, directed the DBM to take the necessary action to implement the upgrading of the former Nurse II position by one (1) SG, i.e., from SG-15 to SG-16, as well as the retention of the position titles of Nurse III to Nurse VII with their corresponding SGs.

In a separate Memorandum from the OP dated August 12, 2021, it was clarified that the upgrading of the former Nurse II positions shall apply to those covered under Item 3.0 of BC No. 2020-4, and shall be effective June 1, 2021.

2.0 Purpose

This Circular is issued to prescribe the rules and regulations on the upgrading of the previous Nurse II positions by one (1) SG, as well as to provide the administrative processes for the retention of the position titles of Nurse III to Nurse VII with their corresponding SG assignments.

3.0 Coverage

The Circular shall cover all previous Nurse II to Nurse VII positions, which position attributes were modified pursuant to DBM BC No. 2020-4, whether regular, casual, or contractual in nature, full-time or part-time, now existing or hereafter created in the national government agencies (NGAs), including SUCs and GOCCs, and in LGUs covered by the Compensation and Position Classification System (CPCS) under RA No. 6758 or the "*Compensation and Position Classification Act of 1989*," as amended.

4.0 Exclusions

The following are excluded from the coverage of this Circular:

- 4.1 Nurses in government agencies, including GOCCs, that are exempted from RA No. 6758, as amended, as expressly provided in their respective enabling law or charter, and are actually implementing their respective CPCS approved by the President of the Philippines;
- 4.2 Nurses in GOCCs covered by the CPCS established by the Governance Commission for GOCCs and approved by the President of the Philippines, under RA No. 10149 or the "*GOCC Governance Act of 2011*"; and
- 4.3 Nurses hired without employee-employer relationship and funded from non-Personnel Services (PS) appropriations/budgets.

5.0 Modification in the Position Attributes of Nurse Positions

- 5.1 The position attributes of the following classes of Nurse positions are hereby modified effective **June 1, 2021**:

Prior to BC No. 2020-4		BC No. 2020-4 January 1, 2020		Per OP Directive dated June 1, 2021	
Position Title	SG	Position Title	SG	Position Title	SG
Nurse I	11	Nurse I	15	Nurse I	15
Nurse II	15	Nurse I	15	Nurse II	16
Nurse III	17	Nurse II	17	Nurse III	17
Nurse IV	19	Nurse III	19	Nurse IV	19
Nurse V	20	Nurse IV	20	Nurse V	20
Nurse VI	22	Nurse V	22	Nurse VI	22
Nurse VII	24	Nurse VI	24	Nurse VII	24

6.0 Upgrading of the Former Nurse II/SG-15 position

- 6.1 The SG allocation of the former Nurse II, SG-15 positions is hereby upgraded by one (1) SG **effective not earlier than June 1, 2021**, as follows:

Prior to BC No. 2020-4		BC No. 2020-4 January 1, 2020		Per OP Directive dated June 1, 2021	
Position Title	SG	Position Title	SG	Position Title	SG
Nurse II	15	Nurse I	15	Nurse II	16

7.0 Rules for Adjusting Salaries

- 7.1 The salaries of the incumbents of former Nurse II positions and currently occupying Nurse I/SG-15 items, i.e., those who were appointed as Nurse II prior to the implementation of BC No. 2020-4, shall be adjusted at the same salary steps as those of the previous SG allocation of their positions (*Illustrative Examples A to D*).
- 7.2 The new salary rates shall be in accordance with the Second Tranche Monthly Salary Schedule for Civilian Personnel of the National Government under National Budget Circular No. 584 dated January 6, 2021 or the modified salary schedule being implemented by a GOCC in case of insufficiency of corporate funds.
- 7.3 If supported by sufficient funds, the salaries/wages of contractual/casual nurses who were previously appointed as Nurse II before the implementation of BC No. 2020-4 may be adjusted to Step 1 of SG-16 of the applicable salary schedule.
- 7.4 For LGUs
 - 7.4.1 The new salary rates shall be in accordance with the applicable Salary Schedule adopted by the LGU pursuant to the provisions of Item 6.5 of Local Budget Circular No. 132 (Implementation of the Second Tranche of the Modified Salary Schedule for Local Government Personnel Pursuant to Republic Act (RA) No. 11466) dated January 19, 2021.
 - 7.4.2 The upgrading of the former Nurse II position, as well as the modification in position attributes of the other Nurse positions, are not within the purview of Section 325(f) of R.A. No. 7160 which provides that: *"No changes in designation or nomenclature of positions resulting in a promotion or demotion in rank or increase or decrease in compensation shall be allowed, except when the position is actually vacant x x x."*

8.0 Administrative Procedures for NGAs

8.1 Retention of Nurse III to Nurse VII Positions

The DBM Offices concerned shall inform the agencies of the adjustment in the position attributes of existing Nurse positions in the agency's respective Personnel Services Itemization and Plantilla of Personnel as a result of the retention of the Nurse III to Nurse VII position levels, with their corresponding SGs.

Upon receipt of the notice from the DBM, the agency's Human Resource Management Officer (HRMO)/Administrative Officer (AO) shall prepare the appointments of the affected incumbents, following the procedures prescribed by the Civil Service Commission (CSC).

8.2 Upgrading of Former Nurse II Positions

- 8.2.1 The staffing action to implement the upgrading of the former Nurse II positions by one (1) SG shall be dependent on whether the position is filled or vacant.

For filled positions, the proper staffing action shall be **reclassification** from Nurse I, SG-15 to Nurse II, SG-16.

For vacant positions, the proper staffing action shall be **conversion** wherein the vacant Nurse I (formerly Nurse II) item shall be abolished, and in its stead, the creation of a Nurse II, SG-16 item shall be pursued. It is understood, however, that the conversion of the vacant Nurse items shall not result in any excess Nurse II positions based on the existing prescribed staffing standards for government hospitals.

- 8.2.2 The NGAs shall submit a request to the DBM Office concerned for the reclassification and conversion of former Nurse II positions using the prescribed template marked as Annex "A" hereof.

Once validated by the DBM Office concerned, a Notice of Organization, Staffing and Classification Action (NOSCA) shall be issued reflecting the appropriate staffing action necessary for the upgrading of the former Nurse II positions.

- 8.2.3 Upon receipt of the NOSCA, the agency's HRMO/AO shall prepare the appointments of the affected incumbents, following the procedures prescribed by the CSC.

- 8.2.4 In addition, the HRMO/AO shall also prepare the Notices of Position Allocations and Salary Adjustment (NPASA) of the affected incumbents, following the format attached as Annex "B". The Head of Agency/Local Chief Executive shall issue a NPASA to each employee concerned.

The Government Service Insurance System shall be furnished a copy of the NPASA if the employee is a member thereof.

- 8.2.5 The salary adjustments of the former Nurse II position under this Circular shall be subject to review and post-audit, and to appropriate re-adjustment if found not in order. The recipient employees shall refund any overpayments received.

9.0 Fund Sources

- 9.1 For NGAs, the amounts required to implement the salary upgrading shall be charged against their available released PS allotments.

In case of PS deficiency, the agency may submit a request to the DBM for the release of funds chargeable against the Miscellaneous Personnel Benefits Fund under the FY 2021 General Appropriations Act.

9.2 For GOCCs, the amounts required shall be charged against their respective approved corporate operating budgets.

9.3 For LGUs:

9.3.1 The amounts required to implement the salary upgrading shall be charged exclusively to the funds of the LGUs, subject to the PS limitation in LGU budgets pursuant to Section 325(a) and 331(b) of RA No. 7160.



9.3.2 Such amounts shall be provided for in an appropriations ordinance to be enacted by the Sangguniang Panlalawigan/Panlungsod/Bayan.

10.0 Responsibilities of Heads of Agencies/Local Chief Executives

Heads of Agencies/Local Chief Executives shall be responsible for the proper implementation of the provisions of this Circular. They shall be held liable for any payment of salary adjustment not in accordance with the provisions of this Circular.

11.0 Effectivity

This Circular shall take effect immediately.


TINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM 



Annex "A"

Request for Reclassification/Conversion of Positions Pursuant to DBM Budget Circular (BC) No. _____¹

Agency: _____

I. Reclassification of former Nurse II (now Nurse I) positions, i.e., those who were appointed as Nurse II prior to the implementation of BC No. 2020-4²:

Organizational Code	Item Number			Current Position Title	Current SG	Salary Step	Name of Incumbent	Date of Appointment as Nurse II
	Prior to BC No. 2020-4	Per BC No. 2020-4	FY 2021 PSIPOP					

II. Conversion of former Nurse II positions

Organizational Code	Item Number			Current Position Title	Current SG
	Prior to BC No. 2020-4	Per BC No. 2020-4	FY 2021 PSIPOP		

Prepared by:

Endorsed by:

Human Resource Management/Administrative Officer

Head of Agency

¹ Modification of Nurse Positions

² Upgrading of the Entry-Level of Nurse Positions

Annex "B"

Notice of Position Allocation and Salary Adjustment

Date: _____

Mr./Ms. _____

Dear Mr./Ms. _____,

Pursuant to Budget Circular No. 2021-_____ dated August _____, 2021, your position of Nurse I, Salary Grade (SG)-15, Unique Item No. _____ in the (Name of Agency), FY 2021 Personnel Service Itemization and Plantilla of Personnel as of _____, has been upgraded to **Nurse II, SG-16** per Item 6.0 of said Circular. Your salary is hereby adjusted effective _____, as follows:

1. Adjusted monthly basic salary effective _____
SG-16, Step _____ ₱ _____
2. Actual monthly basic salary as of _____
SG-15, Step _____ ₱ _____
3. Monthly Salary Adjustment ₱ _____

It is understood that this salary adjustment is subject to review and post-audit, and to appropriate re-adjustment and refund if found not in order.

Very truly yours,

Head of Agency/Local Chief Executive

Illustrative Example A

Scenario: Ms. Juana dela Cruz, RN was originally appointed as Nurse I/SG-11 on January 1, 2015. After two (2) years, she was promoted as Nurse II/SG-15, effective February 1, 2017.

With the implementation of BC No. 2020-4, the item of the incumbent was modified to Nurse I/SG-15, effective January 1, 2020.

Pursuant to the OP directive and the provisions of this Circular, Ms. dela Cruz, RN will now be occupying the position of Nurse II/SG-16, effective June 1, 2021.

Effectivity Date	Position Title	Salary Grade/Step	Particulars
January 1, 2015	Nurse I	SG-11/Step 1	Original Appointment
February 1, 2017	Nurse II	SG-15/Step 1	Promotion
January 1, 2020	Nurse I	SG-15/Step 1	BC No. 2020-4
June 1, 2021	Nurse II	SG-16/Step 1	Per OP Directive dated June 1, 2021

Illustrative Example B

Scenario: Mr. Juan dela Cruz, RN was originally appointed as Nurse I/SG-11 on January 1, 2015. After two (2) years, he was promoted as Nurse II/SG-15, effective February 1, 2017.

In April 1, 2019, Mr. dela Cruz, RN completed his post-graduate degree studies related to his profession. Pursuant to DBM-DOH Joint Circular No. 1, s. 2016, he is entitled to a one (1) salary step increment. Hence, his salary was adjusted to Step 2 of SG-15 on even date.

With the implementation of BC No. 2020-4, the item of the incumbent was modified to Nurse I/SG-15, Step 2, effective January 1, 2020.

Pursuant to the OP directive and the provisions of this Circular, Mr. dela Cruz, RN will now be occupying the position of Nurse II, SG-16, Step 2, effective June 1, 2021.

Effectivity Date	Position Title	Salary Grade/Step	Particulars
January 1, 2015	Nurse I	SG-11/Step 1	Original Appointment
February 1, 2017	Nurse II	SG-15/Step 1	Promotion
April 1, 2019	Nurse II	SG-15/Step 2	Completion of Post-Graduate Studies (Item 4.0 of DBM-DOH JC No. 1, s. 2016)
January 1, 2020	Nurse I	SG-15/Step 2	BC No. 2020-4
June 1, 2021	Nurse II	SG-16/Step 2	Per OP Directive dated June 1, 2021

Illustrative Example C

Scenario: Ms. Juana dela Cruz, RN was appointed as Nurse I/SG-15 on August 1, 2020.

As she was appointed as Nurse I after the implementation of BC No. 2020-4, her position will be retained as Nurse I/SG-15.

Effectivity Date	Position Title	Salary Grade/Step	Particulars
August 1, 2020	Nurse I	SG-15/Step 1	Original Appointment
June 1, 2021	Nurse I (no change)	SG-15/Step 1 (no change)	

Illustrative Example D

Scenario: Mr. Juan dela Cruz, RN was originally appointed as Nurse I/SG-10 on January 1, 2007. In view of NBC No. 521, the Nurse I position occupied by the incumbent was re-allocated from SG-10 to SG-11, effective July 1, 2009.

On April 1, 2013, Mr. dela Cruz, RN was promoted as Nurse II/SG-15.

With the implementation of BC No. 2020-4, his position was modified to Nurse I/SG-15. He was subsequently promoted as Nurse II/SG-17, effective August 1, 2020.

Pursuant to the OP directive and the provisions of this Circular, Mr. dela Cruz, RN will now be occupying the position of Nurse III, SG-17, effective June 1, 2021.

Effectivity Date	Position Title	Salary Grade/Step	Particulars
January 1, 2007	Nurse I	SG-10/Step 1	Original Appointment
July 1, 2009	Nurse I	SG-11/Step 1	NBC No. 521
April 1, 2013	Nurse II	SG-15/Step 1	Promotion
January 1, 2020	Nurse I	SG-15/Step 1	BC No. 2020-4
August 1, 2020	Nurse II	SG-17/Step 1	Promotion
June 1, 2021	Nurse III	SG-17/Step 1	Per OP Directive dated June 1, 2021