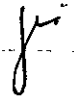


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

'14 AUG 26 P3:08

SENATE

S. No. 2372

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

AN ACT
PROVIDING FOR A TWENTY PERCENT (20%) INCREASE IN THE BASIC SALARY
OF GOVERNMENT OFFICIALS AND EMPLOYEES, AND FOR OTHER PURPOSES

Explanatory Note

This bill seeks to improve the purchasing power of approximately 1.248 million civil servants¹ and about 400,000 uniformed personnel² in the country that was eroded by inflation by providing a twenty percent (20%) increase in the compensation schedule of government officials and employees across the board.

The Philippine Constitution states that Congress shall provide for the standardization of compensation of government officials and employees, including those in government-owned or -controlled corporations with original charters, taking into account the nature of the responsibilities pertaining to and the qualifications required for their positions.

In 1989, Republic Act (RA) No. 6758 otherwise known as the Compensation and Position Classification Act of 1989 was enacted in response to the aforesaid constitutional provision. The law was anchored on the basic principle of equal pay for substantially equal work.

Amendments to RA No. 6758 were instituted through subsequent Joint Resolutions of Congress. Reforms in the Compensation and Position Classification System and Pay schedule were further modified through Joint Resolution No. 4 of the Senate and the House of Representatives which was initially implemented on July 1, 2009 and on January 1, 2010, in the case of local government units (LGUs).

One of the governing principles of the modified Compensation and Position Classification System is its periodic review which shall be conducted every three (3) years, taking into account the changes in skills and competency requirement in the bureaucracy and the relative demand for certain expertise.

It has been two years since the last tranche of the salary increase mandated in Joint Resolution No. 4, S. 2008. Hence, it is imperative upon Congress to revise further the present Compensation Schedule to update the same, and to further encourage excellent performance and productivity.

Statistics show that the Consumer Price Index (CPI) using 2006 as the base year is 115.9 for the period of June 2009 while that for June 2014 is 139.6.³ Government employees can barely

¹ Table 1. Staffing Summary of the National Government. Fiscal Year 2015.

² Data from the Committee on National Defense for all uniformed personnel except NAMRIA is 390,000.

³ *Consumer Price Index For All Income Households And Headline Inflation Rates, January 2004 - July 2014*. National Statistical Coordination Board. http://www.nscb.gov.ph/secstat/d_price.asp.

afford to support their families as the inflation rate between June 2009 and June 2014 grew at a significant 20.44%.

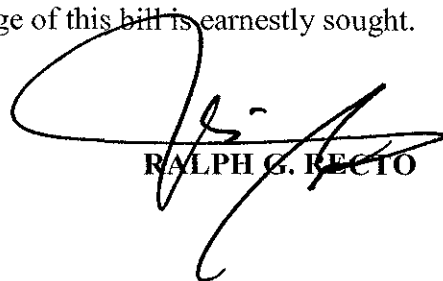
The budgetary outlay for this proposal is admittedly substantial and would require additional funding sources. However, from fiscal year 2010 to 2013, government was able to generate savings of P50 billion to P60 billion⁴ annually.

The savings derived from the national budget may be used to increase salaries of government personnel in order to cushion the spiraling cost of goods instead of using it to finance various programs and projects that may have no clear and immediate impact on the economy.

This proposal will put more money in government employees' pockets and will increase disposable income, boost consumer spending, and in turn would stimulate activities in the industrial and service sector, and help generate more taxes.

With this bill, the government would alleviate the living condition of the 1.648 million public servants. Consequently, the much-needed relief that this measure offers will further motivate government personnel and invigorate public service.

With the foregoing considered, immediate passage of this bill is earnestly sought.



RALPH G. RECTO

/mjma

⁴ As stated by DBM Secretary Florencio B. Abad at the Development Budget Coordinating Committee (DBCC) hearing on August 19, 2014.

SENATE

S. No. 2372

RECEIVED BY: js

Introduced by Senator Ralph G. Recto

AN ACT
PROVIDING FOR A TWENTY PERCENT (20%) INCREASE IN THE BASIC SALARY
OF GOVERNMENT OFFICIALS AND EMPLOYEES, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Declaration of Policy.** Pursuant to the constitutional mandate that the State
2 shall provide for the standardization of compensation of government officials and employees,
3 including those in government-owned or -controlled corporations with original charters, taking
4 into account the nature of duties and responsibilities pertaining to and the qualifications required
5 for their positions, the State shall:

- 6 (a) implement a compensation schedule that is generally comparable with those in
7 the private sector doing comparable work and in accordance with the
8 provisions of existing compensation and position classification laws, in order
9 to attract, retain and motivate a corps of competent civil servants;
- 10 (b) keep the compensation for government personnel fair and reasonable in
11 recognition of fiscal realities and maintain personal services cost at a
12 reasonable proportion of over-all expenditures; and
- 13 (c) conduct a periodic review of the compensation and position classification
14 system taking into account the changes in skills and competency requirements
15 and the possible erosion in the purchasing power due to inflation, and other
16 factors.

17 **SEC. 2. Coverage.** The Compensation Schedule herein provided shall apply to all
18 positions for civilian government personnel in the Executive, Legislative and Judicial Branches,
19 including the military personnel of the Armed Forces of the Philippines and all uniformed
20 personnel under the Department of Interior and Local Government, the Philippine Coast Guard
21 and the National Mapping and Resource Information Authority, Constitutional Commissions,
22 State Universities and Colleges (SUCs), Government-Owned or -Controlled Corporations
23 (GOCCs), Government Financial Institutions (GFIs) and local government units (LGUs),
24 whether regular, casual or contractual in nature, appointive or elective, on full-time or part-time
25 basis, now existing or hereafter created.

1 **SEC. 3. Salary Schedule for Civilian Government Personnel.** The modified Salary
 2 Schedule for Civilian Personnel shall be as follows:

SG	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	10,800	10,908	11,017	11,128	11,238	11,351	11,465	11,579
2	11,610	11,726	11,843	11,962	12,082	12,203	12,324	12,448
3	12,481	12,606	12,732	12,859	12,988	13,117	13,248	13,381
4	13,417	13,550	13,686	13,823	13,962	14,101	14,243	14,384
5	14,423	14,567	14,713	14,860	15,008	15,158	15,311	15,463
6	15,505	15,660	15,816	15,974	16,134	16,296	16,459	16,624
7	16,668	16,835	17,003	17,173	17,345	17,518	17,693	17,870
8	17,917	18,097	18,278	18,461	18,646	18,832	19,020	19,211
9	19,261	19,454	19,649	19,846	20,044	20,244	20,447	20,651
10	20,706	20,914	21,122	21,334	21,547	21,762	21,980	22,200
11	22,259	22,482	22,706	22,933	23,162	23,394	23,628	23,864
12	23,928	24,168	24,409	24,654	24,900	25,150	25,400	25,655
13	25,723	25,980	26,240	26,503	26,767	27,035	27,306	27,578
14	27,653	27,929	28,208	28,490	28,775	29,063	29,353	29,647
15	29,864	30,193	30,526	30,862	31,200	31,543	31,891	32,242
16	32,254	32,609	32,968	33,330	33,696	34,067	34,442	34,820
17	34,834	35,218	35,605	35,996	36,392	36,793	37,198	37,607
18	37,621	38,035	38,453	38,876	39,304	39,736	40,174	40,615
19	40,631	41,077	41,530	41,986	42,448	42,914	43,387	43,865
20	43,880	44,364	44,851	45,346	45,844	46,348	46,858	47,374
21	47,392	47,912	48,440	48,973	49,511	50,056	50,606	51,163
22	51,182	51,745	52,315	52,890	53,472	54,060	54,655	55,256
23	55,277	55,885	56,500	57,121	57,750	58,385	59,028	59,677
24	59,700	60,356	61,020	61,692	62,370	63,056	63,750	64,451
25	64,476	65,185	65,902	66,626	67,360	68,100	68,850	69,607
26	69,634	70,423	71,174	71,957	72,749	73,549	74,358	75,175
27	75,204	76,032	76,868	77,713	78,569	79,433	80,306	81,190
28	81,221	82,114	83,017	83,930	84,853	85,787	86,731	87,685
29	87,719	88,684	89,659	90,644	91,642	92,650	93,670	94,699
30	94,735	95,778	96,832	97,896	98,974	100,062	101,162	102,276
31	108,000	109,188	110,389	111,604	112,831	114,072	115,327	116,596
32	123,600	124,960	126,334	127,724	129,128	130,549	131,986	133,438
33	144,000							

3 **SEC. 4. Salary Local Government Units –** The salary or wage adjustments, provided in
 4 Sec. 3 shall also be applied to the LGUs in accordance with the applicable provisions of this Act.

5 **SEC. 5. Military and Uniformed Personnel—**The military personnel of the Department of
 6 National Defense (DND) and the uniformed personnel of the Department of the Interior and

- 1 Local Government (DILG), the Philippine Coast Guard (PCG) and the National Mapping and
 2 Resource Information Authority (NAMRIA) shall be covered by only one Base Pay Schedule
 3 modified as follows:

DND	DILG		PGC and NAMRIA	Monthly Base Pay
	BJMP and BFP	PNP and PPSC		
Candidate Soldier				P13,518
			Apprentice	
			Seaman/Seaman	
Private	Fire/Jail Officer I	Police Officer I	Third Class	17,801
Private First Class			Seaman Second Class	19,142
Corporal	Fire/Jail Officer II	Police Officer II	Seaman First Class	20,321
Sergeant			Petty Officer III	21,293
Staff Sergeant	Fire/Jail Officer III	Police Officer III	Petty Officer II	22,398
Technical Sergeant			Petty Officer I	24,191
Master Sergeant	Senior Fire/ Jail Officer I	Senior Police Officer I	Chief Petty Officer	26,053
Senior Master Sergeant	Senior Fire/ Jail Officer II	Senior Police Officer II	Senior Chief Petty Officer	28,216
Chief Master Sergeant	Senior Fire/ Jail Officer III	Senior Police Officer III	Master Chief Petty Officer	30,473
First Chief Master Sergeant	Senior Fire/ Jail Officer IV	Senior Police Officer IV	First Master Chief Petty Officer	32,910
Cadet		Cadet		32,910
Probationary Second Lieutenant				32,910
Second Lieutenant			Ensign	35,934
First Lieutenant	Inspector	Inspector	Lieutenant Junior Grade	38,809
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	42,374
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	44,776
Lieutenant Colonel	Superintendent	Superintendent	Commander	48,358
Colonel	Senior Superintendent	Senior Superintendent	Captain	52,225
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	56,402
Major General	Director	Director	Rear Admiral	60,916
			Vice Admiral	65,789
Lieutenant General		Deputy Director General	Admiral	71,052
General		Director General		81,000

1 **SEC. 6. *Non-diminution in the Basic Salaries of Incumbent Employees.*** – In no case shall
2 there be any diminution in the basic salaries of incumbent salaries of incumbent employees upon
3 the implementation of this Act. For this purpose, they shall receive the new salary rates
4 prescribed herein which in no case shall be less than their existing salary rates.

5 **SEC. 7. *Functions and Responsibilities.*** —

6 (a) Governance Commission for GOCCS (GCG). - For GOCCs and GFIs whether
7 under the Salary Standardization Law or exempt therefrom, the GCG, in
8 consultation with the DBM, shall:

- 9 (1) Prepare and issue the guidelines, rules and regulations necessary to
10 implement the modified Compensation Schedule which shall apply to
11 all officers and employees of the GOCCs consistent with the executive
12 order to be issued by the President;
13 (2) Administer the modified Compensation Schedule; and
14 (3) Conduct compensation studies.

15 **SEC. 8. *Consolidated Compensation and Position Classification Report.*** – The DBM and
16 the GCG shall jointly prepare a Consolidated Compensation and Position Classification Report
17 for all government entities in the national government; GOCCs and GFIs including exempt
18 entities and the status of implementation thereof. The reports shall be periodically updated and
19 submitted to Congress and the Commission on Audit for public disclosure, monitoring,
20 compliance with established policies and as basis for future policy decisions.

21 **SEC. 9. *Periodic Review of the Compensation and Position Classification System.*** The
22 DBM, Civil Service Commission and GCG shall jointly review the Compensation and Position
23 Classification System every three (3) years, develop and recommend to the President a
24 competitive compensation and remuneration system which shall attract and retain talent.

25 **SEC. 10. *Appropriations.*** – The funding sources for the amounts necessary to implement
26 the modified Compensation Schedule shall be as follows:

27 (a) For national government entities, the amount necessary for the immediate
28 implementation of this Act shall be included in the General Appropriations Act (GAA);

29 (b) For GOCCs and GFIs, the amounts shall come from their respective corporate
30 funds in the approved corporate operating budgets. Government corporations which do
31 not have adequate or sufficient funds shall only partially implement the established rates:
32 *Provided*, That any partial implementation shall be at uniform proportion of the
33 established rates for all positions in each government corporation; and

34 (c) For LGUs, the amounts shall be charged against their respective local
35 government funds in accordance with the pertinent provisions of this Act and Republic
36 Act No. 7160.

1 **SEC. 11. *Implementation.*** - The Compensation Schedule as provided herein shall take
2 effect on January 1, 2015.

3 For GOCCs, GFIs and LGUs, the implementation period shall be for not more than four
4 (4) years depending on their financial capabilities: *Provided,* That the initial implementation
5 shall take effect January 1, 2015.

6 **SEC. 12. *Implementing Rules and Guidelines.*** - The DBM and GCG shall, within sixty
7 (60) days after the approval of this Act, jointly prepare and issue the necessary guidelines to
8 implement the same.

9 **SEC. 13. *General Repealing and Amendatory Clause.*** - All provisions of laws, decrees,
10 executive orders, corporate charters, implementing rules and regulations, circulars, and other
11 issuances prescribing salary grades for government officials and employees which are
12 inconsistent with the provisions of this Act are hereby repealed, amended or modified
13 accordingly.

14 **SEC. 14. *Separability Clause.*** - If any provision of this Act is subsequently declared
15 unconstitutional, the validity of the remaining provisions hereof shall remain in full force and
16 effect.

17 **SEC. 15. *Effectivity Clause.*** - The Act shall take effect fifteen (15) days following its
18 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,