

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

8 JUN 30 11:23

SENATE



RECEIVED BY:

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S.B. No. 2420

Introduced by Senator Loren Legarda

EXPLANATORY NOTE

There is no doubt that the country's economy is experiencing serious set-backs for the past few months. Just the previous year, the economy enjoyed a growth of 7.3 percent - a pale comparison to this year's forecast of 5.7 percent - with the inflation rate maintained within the manageable limit of 2 to 4 percent. Now, inflation rate is projected to reach double-digit levels within the year.

Global spiralling of the prices of overhead commodities such as oil triggered the concomitant increase in the prices of other goods resulting in a very high inflation rate, especially in a country like ours that is very much dependent on imported oil. Food security also poses as a problem; supply of the same has been dwindling due to the adverse effects of climate change such as extreme weather conditions and changed climate patterns, thus the raise in its prices as well.

There is therefore a necessity to help the average Filipino cope with the trying times. Moreover, assistance should be lent to those who work in the public sector, considering that salaries of government employees, bound by the Compensation and Position Classification Act (Republic Act No. 6758), are notably less than their private sector counterparts.

This bill proposes to increase the basic salary of all government employees whose positions are covered by R.A. 6758 by fifteen percent (15%). Sources of funding shall come from the:

1. Miscellaneous Personnel Benefits Fund and/or appropriate funds under the 2008 General Appropriations Act (Republic Act No. 9498) for National Government Agencies, and amounts needed, thereafter, shall be included in the annual General Appropriations Act;
2. Respective corporate funds for government-owned and controlled corporations and government financial institutions; and
3. Respective local funds for the local government units.

However, consistent with the constitutional provision, salary increase of incumbent constitutional officials such as the President, Vice-President, and Senators and Members of the House of Representatives shall only take effect after the expiration of their respective terms.

The enactment of this measure will provide support to our public servants, whose services are crucial in the daily business of the government. Their loyalty in our country merits the much-needed cushion that this bill offers, especially in this time of economic difficulty.

In view of the foregoing, the passage of this bill is earnestly sought.

A handwritten signature in black ink, consisting of several fluid, overlapping loops and strokes, positioned above the printed name.

LOREN LEGARDA
Senator

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AN ACT
AUTHORIZING COMPENSATION ADJUSTMENTS TO NATIONAL
GOVERNMENT PERSONNEL

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

1 **SECTION 1. Compensation Adjustments.** - The basic salary of all national
2 government employees whose positions are covered by the Compensation and Position
3 Classification System under Republic Act No. 6758, as amended, is hereby increased by
4 fifteen percent (15%) effective May 1, 2008.

5
6 **SEC. 2. Coverage** - The fifteen percent (15%) salary increase authorized herein
7 shall cover civilian officials and employees of national government agencies (NGAs),
8 including military personnel of the Armed Forces of the Philippines and all uniformed
9 personnel under the Department of Interior and Local Government, the Philippine
10 Coast Guard and the National Mapping and Resource Information Authority, state
11 universities and colleges, government-owned and/or-controlled corporations (GOCCs),
12 government financial institutions (GFIs) and local government units (LGUs) which are
13 covered by the Compensation and Position Classification System under Republic Act
14 No. 6758, as amended.

15 Government agencies which are exempted by law from the coverage of Republic
16 Act No. 6758, as amended, shall not be entitled to the compensation adjustments
17 authorized herein.

1 **SEC. 3. *Funding Source*** - The amounts necessary to implement the compensation
2 adjustments authorized herein shall be sourced as follows:

3 (a) For NGAs, the amount shall be charged against the Miscellaneous Personnel
4 Benefits Fund and/or other appropriate funds under Republic Act No. 9498,
5 otherwise known as the FY 2008 General Appropriations Act. Thereafter, such
6 amounts as are needed shall be included in the annual General Appropriations
7 Act;

8 (b) For GOCCs and GFIs, the amount shall be taken from their respective corporate
9 funds; and

10 (c) For LGUs, the amount shall come from their respective local funds.

11
12 **SEC. 4. *Uniform Percentage Increase in Case of Insufficiency of Funds*** - GOCCs,
13 GFIs and LGUs which do not have adequate or sufficient funds to pay compensation
14 adjustments authorized herein shall only partially implement the adjusted rates:
15 *Provided*, That any partial implementation shall be at uniform percentage increase for all
16 positions.

17
18 **SEC. 5. *Allowances and Benefits Based on a Percentage of the Basic Salary of***
19 ***Civilian Personnel*** - Except for the year-end bonus and fixed personnel benefit
20 contributions, there shall be no corresponding increase in the present allowances and
21 benefits being received by or paid for civilian government personnel which are
22 computed at a percentage of their basic salaries, notwithstanding the fifteen percent
23 (15%) salary increase authorized herein.

24
25 **SEC. 6. *Waiver of the Personal Services Limitation Under Republic Act No. 7160***
26 - The provision on personal services limitation in the LGU budgets under Republic Act

1 No. 7160 or the Local Government Code of 1991 shall be waived to the extent necessary
2 in implementing the increases authorized in this Act.

3

4 **SEC. 7. *Applicability to Certain Constitutional Officials*** - The salary increase
5 authorized herein for the President, Vice-President, Senators and Members of the House
6 of Representatives shall take effect only after the expiration of the respective terms of
7 office of the incumbent officials, pursuant to Section 10 of Article VI and Section 6 of
8 Article VII of the 1987 Constitution.

9

10 **SEC 8. *Implementing Rules and Regulations*** - The Department of Budget and
11 Management shall prepare and issue the necessary rules and regulations to implement
12 the provisions of this Act.

13

14 **SEC 9. *Effectivity*** - The compensation adjustments authorized herein shall take
15 effect on May 1, 2008.

16 Approved,