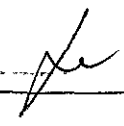


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SENATE

Joint Resolution No. 23

RECEIVED BY 

Introduced by Sen. Juan Ponce Enrile

A JOINT RESOLUTION

**URGING THE PRESIDENT OF THE PHILIPPINES TO MODIFY THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM IN THE GOVERNMENT AND TO IMPLEMENT THE SAME INITIALLY EFFECTIVE JULY 1, 2009 AND AUTHORIZING THE AMENDMENT OF EXISTING LAWS AND ISSUANCES CONTRARY TO THE PROVISIONS OF THIS RESOLUTION**

**WHEREAS**, Section 5, Article IX-B of the Philippine Constitution states that Congress shall provide for the standardization of compensation of government officials and employees, including those in government-owned and controlled corporations with original charters, taking into account the nature of the responsibilities pertaining to the qualifications required for their positions;

**WHEREAS**, Republic Act No. 6758 prescribes a revised Compensation and Position Classification System that is in accordance with the above-cited Constitutional provision, anchored on the basic principle of equal pay for substantially equal work;

**WHEREAS**, Joint Resolution No. 01 of the Senate and the House of Representatives, which was approved by the President of the Philippines on March 7, 1994, urged the latter to revise the then existing Compensation and Position Classification System to make it more responsive to the economic needs of government personnel, to provide adequate incentives to public servants and to improve the quality of public services;

**WHEREAS**, the present Compensation and Position Classification System has to be revised further to update the same, to further encourage excellent performance and productivity, and to clearly distinguish differences in levels of responsibility and accountability among government officials, officers and employees;

**WHEREAS**, the current structure of the salary schedule causes the overlapping of salaries between salary grades, thereby resulting in salary inequities between positions;

**WHEREAS**, the grant of benefits to selected professions under special laws undermines the compensation standardization and equal protection of the laws clauses in the Constitution, distorts the standardized compensation scheme and breeds demoralization among other government employees;

**WHEREAS**, the President of the Philippines has the authority to revise the existing Compensation and Position Classification System;

**WHEREAS**, in order to make the present Compensation and Position Classification System more effective in motivating government personnel and in invigorating public service, reforms in the present System need to be instituted;

**NOW, THEREFORE**, be it:

**RESOLVED** by the Senate and the House of Representatives in Congress assembled, to urge the President of the Philippines to modify the existing Compensation and Position Classification System and to initially implement the same effective July 1, 2009;

**RESOLVED FURTHER**, that the said modification must be in line with the governing principles, coverage and particulars of the Compensation and Position Classification System prescribed hereunder;

**RESOLVED**, Finally, to authorize the amendment of existing laws and issuances contrary to the provisions of this resolution;

1. **Governing Principles** – The following principles shall govern the modified Compensation and Position Classification System of the government:

- a) All government personnel shall be paid in just and equitable compensation in accordance with the principle of equal pay for work of equal value. Differences in pay shall be based on verifiable compensation and position classification factors;
- b) The compensation for all government personnel shall generally be comparable with those in the private sector doing comparable work in order to attract, retain and motivate a corps of competent civil servants;
- c) The compensation for all government personnel shall likewise be standardized and rationalized across all government agencies to engender an enabling environment that will promote social justice, integrity, efficiency, productivity, accountability and excellence in the civil service;
- d) A performance-based incentive scheme which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well-performing institutions;
- e) A periodic review of the government's Compensation and Position Classification System shall be conducted taking into account the changes in skills and competency requirement in the bureaucracy, the relative demand for certain expertise, the possible erosion in the purchasing power due to inflation and other factors; and,
- f) The compensation for all government personnel shall be kept modest in recognition of fiscal realities and the allocative efficiency of personal services cost, which shall be maintained at a reasonable level in proportion to the over-all expenditure of the government.

2. **Coverage** – The Compensation and Position Classification System herein provided shall apply to all positions for civilian government personnel in the Executive, Legislative and Judicial Branches, the Constitutional Commissions, State Universities and Colleges (SUCs), government-owned or controlled corporations (GOCCs), government financial institutions (GFIs), and local government units (LGUs), whether regular, casual or contractual in nature, appointive or elective, on full-time or part-time basis, now existing or hereafter created.

PROVIDED, That individuals and groups of personnel whose services are engaged through job orders or contracts of services shall be excluded from the coverage of the System.

### 3. Position Classification System

a) Re-categorized Groups of Classes of Positions – The classes of positions shall be categorized as follows: i) Sub-Professional Category; ii) Professional category; and iii) Executive Category.

i) Sub-Professional Category – This category includes subordinate positions involved in structured work in support of office operations or those engaged in arts, crafts, trades, manual or clerical work.

Also included in this category are positions engaged in supervising groups of employees performing such work.

These positions require completion of up to elementary education, secondary or vocational education or completion of up to two (2) years of college education and skills required through training and moderate to considerable experience and knowledge of a limited subject matter or skills in arts, crafts, trades, manual or clerical work.

ii) Professional category - This category includes positions performing work requiring the exercise of profession or application of knowledge required through formal training in a particular field or the exercise of a natural, creative and artistic ability or talent in arts and letters. Also included in this category are positions involved in research and application of professional knowledge and methods to a variety of technological, economic, social, industrial and governmental functions.

Further included in this category are positions engaged in supervising groups of employees performing professional work.

These positions require thorough knowledge in the field of arts and sciences or learning acquired through completion of at least four (4) years of college studies or thorough knowledge of specialized fields acquired through completion of bachelor's, master's or doctorate degrees.

iii) Executive Category - This category includes managerial positions involved in the execution of laws, rules and regulations, both in the national and local governments, in the legislation of laws and ordinances, and in the administration of justice. Appointive executive positions require thorough knowledge acquired through completion of bachelor's degrees. Effective executive positions only require knowledge acquired through the minimum education prescribed by the Constitution and existing laws.

b) Index of Occupational Services, Occupational Groups, Classes and Salary Grades – The existing levels of classes of positions shall be reviewed to convert to the more appropriate number of levels that recognizes reasonable gradations in the levels of difficulty and complexity of the duties and responsibilities of positions and to convert them into generic, brief but descriptive, and gender-neutral class/ position titles.

In view thereof, the Position Classification System shall have an updated index of Occupational Services, Occupational Groups, Classes and Salary Grades, to be prepared by the Department of Budget and Management (DBM) in coordination with the Civil Service Commission (CSC).

#### 4. Compensation System

a) Total Compensation Framework – The existing basic salaries, allowances, benefits and incentives granted to government officials and employees shall be rationalized and standardized in accordance with the herein established Total Compensation Framework. Under the Total Compensation Framework, the total payment given to an employee for services rendered shall hereinafter be limited to the following:

- i. Basic Salaries, including step increments;
- ii. Standard Allowances and benefits;
- iii. Specific-Purpose Allowances and benefits; and
- iv. Incentives.

PROVIDED, That the Total Compensation Framework shall exclude all indirect compensation under existing laws, such as but not limited to: life and retirement insurance benefits, employee compensation insurance, health insurance, PAG-IBIG Fund benefits, and Provident Fund benefits.

b) The modified Salary Schedule for Civilian Personnel, to be implemented in tranches, shall be as follows:

**Monthly Salary Schedule (In Pesos)**

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	8,000	8,088	8,177	8,267	8,358	8,450	8,543	8,637
2	8,680	8,775	8,872	8,970	9,068	9,168	9,269	9,371
3	9,418	9,521	9,626	9,732	9,839	9,947	10,057	10,167
4	10,218	10,331	10,444	10,559	10,675	10,793	10,912	11,032
5	11,087	11,209	11,332	11,457	11,583	11,710	11,839	11,969
6	12,029	12,162	12,295	12,431	12,567	12,706	12,845	12,987
7	13,052	13,195	13,340	13,487	13,636	13,786	13,937	14,091
8	14,161	14,317	14,474	14,643	14,795	14,957	15,122	15,288
9	15,365	15,534	15,705	15,877	16,052	16,229	16,407	16,588
10	16,671	16,854	17,040	17,227	17,417	17,608	17,802	17,998
11	18,088	18,287	18,488	18,691	18,897	19,105	19,315	19,527
12	19,625	19,841	20,059	20,280	20,503	20,729	20,957	21,187
13	21,293	21,528	21,765	22,004	22,246	22,491	22,738	22,988
14	23,103	23,358	23,615	23,874	24,137	24,402	24,671	24,942
15	25,067	25,343	25,622	25,904	26,189	26,477	26,768	27,062
16	27,198	27,497	27,800	28,105	28,415	28,727	29,043	29,363
17	29,510	29,834	30,163	30,494	30,830	31,169	31,512	31,858
18	32,018	32,370	32,726	33,086	33,450	33,818	34,190	34,566
19	34,644	35,025	35,410	35,799	36,193	36,591	36,994	37,401
20	37,415	37,827	38,243	38,663	39,089	39,519	39,953	40,393
21	40,408	40,853	41,302	41,756	42,216	42,680	43,150	43,624
22	43,641	44,121	44,606	45,097	45,593	46,095	46,602	47,114
23	47,132	47,651	48,175	48,705	49,240	49,782	50,330	50,883
24	50,903	51,463	52,029	52,601	53,180	53,765	54,356	54,954
25	54,975	55,580	56,191	56,809	57,434	58,066	58,705	59,350
26	59,373	60,026	60,686	61,354	62,029	62,711	63,401	64,098
27	64,123	64,828	65,541	66,262	66,991	67,728	68,473	69,226
28	69,125	69,885	70,653	71,430	72,216	73,011	73,814	74,626
29	74,309	75,126	75,952	76,787	77,632	78,487	79,350	80,223

30	80,254	81,136	82,028	82,930	83,843	84,766	85,698	86,641
31	91,000	92,001	93,013	94,036	95,071	96,116	97,174	98,243
32	102,000							
33	120,000							

c) **Salary Grade Assignments of Positions** – Guided by the existing position classification and other relevant factors, the DBM shall review the salary grade allocations of existing classes of positions for possible modifications in view of organizational, technological, professional and other developments.

d) **Step Increments** – An employee may progress from Step 1 to Step 8 of the salary grade allocation of his/ her position based on Merit and Performance and/ or length of service in accordance with the rules and regulations to be promulgated jointly by the DBM and CSC.

Employees authorized to receive Longevity Pay under existing laws shall no longer be entitled to Step Increments due to length of service. On the other hand, the grant of Step Increment based on Merit and Performance shall be in lieu of the previously authorized Productivity Incentive Benefit.

e) **Rationalization of Allowances, Benefits and Incentives** – The conditions for the grant, including the rates of allowances, benefits and incentives to all government employees, shall be rationalized in accordance with the policies to be issued by the President upon recommendation of the DBM.

For this purpose, all existing and authorized allowances, benefits and incentives shall be categorized as Standard Allowances and Benefits, Specific-Purpose Allowances and Benefits, or Incentives in accordance with items (4) (f), (g) and (h) hereof; PROVIDED, That henceforth all allowances, benefits and incentives to be granted to any and all government employees shall be limited to the foregoing categories; PROVIDED, FURTHER, That said allowances, benefits and incentives shall be granted only upon compliance with all the qualifications and conditions laid down by the President.

f) **Standard Allowances and Benefits** – These are allowances and benefits given to all employees across agencies, in cash or in kind, as prescribed rates, guidelines, rules and regulations, which shall be limited to the following:

- i) Personnel Economic Relief Allowance;
- ii) Additional Compensation;
- iii) Uniform/ Clothing Allowance; and
- iv) Year-End Bonus and Cash Gift



g) **Specific-Purpose Allowances and Benefits** – These are allowances and benefits given to employees under specific conditions, situations and agencies, related to the actual performance of work, given in cash or in kind, as prescribed rates, guidelines, rules and regulations. These are limited to the following:

- i) Representation and Transportation Allowances;
- ii) Per Diem (for qualified officials and governing boards);
- iii) Honoraria;
- iv) Night-Shift Differential;
- v) Overtime Pay;
- vi) Subsistence Allowance;

- vii) Hazard Pay;
- viii) Special Counsel Allowance;
- ix) Overseas and other allowances for government personnel stationed abroad;
- x) Other allowances and benefits as may be determined by the DBM.

h) **Incentives** – This shall be limited to the following:

- i. Incentives to reward an employee's loyalty to government service and contributions to the agency's continuing viable existence, as follows.

*Loyalty Incentive* – This is an incentive to be given in milestone years to reward the employee's loyalty to government service with at least satisfactory performance. This shall be in lieu of the Loyalty Award.

*Anniversary Bonus* – This is a one-time incentive to be given to employees on the occasion of their agencies' milestone anniversaries, to recognize the employees' participative efforts in and contributions to the agencies' continuing and/ or viable existence.

- ii. Incentives as rewards for exceeding agency financial and operational performance targets and to motivate employee efforts toward higher productivity, as follows:

*Collective Negotiation Agreement (CNA) Incentive* – This may be granted to both management and rank-and-file employees of agencies with approved and successfully implemented CNAs in recognition of their efforts in accomplishing performance targets at lesser cost, in attaining more efficient and viable operations through cost-cutting measures and systems improvement, chargeable to savings from maintenance and other operating expenses realized through these joint efforts.

*Productivity Enhancement Incentive* – This may be authorized by the President of the Philippines for national government agencies (NGAs) including SUCs, GOCCs, GFIs, and local government units when savings resulting from productivity improvement are generated.

- iii. Other existing benefits to be categorized by the DBM as incentives.

- 5. **Special Allowances** – The grant of special allowances to certain officials and employees as provided under applicable laws which shall not exceed one hundred percent (100%) of the applicable salary schedule, as provided in their respective implementing rules and regulations shall be considered as advance implementation of any subsequent increases in the salary rates under R.A. No. 6758, as amended.

Accordingly, the full amount of Special Allowances or portions thereof that have been received shall be converted as part of basic salaries as a result of the salary increases authorized under E.O. Nos. 611, s. 2007 and 719, s. 2008, this

Resolution, and such other subsequent issuances and/ or laws authorizing salary adjustments: PROVIDED, That any balances in the amount of Special Allowances not converted as apart of basic salaries shall continue to be granted as such and *funded from sources specified under applicable laws*: PROVIDED, FURTHER, That the maximum limit of the Special Allowances that may be granted thereafter shall be reduced by the amount of Special Allowances converted as part of basic salaries: PROVIDED, FINALLY, That such Special Allowances shall cease to be granted once the full amount of the authorized Special Allowance has been received by the employees concerned.

6. **Magna Carta Benefits** - The DBM shall review all Magna Carta benefits authorized for specific officials and employees in the government to determine those that may be included in the Total Compensation Framework herein established: PROVIDED, That those included shall be converted and categorized into: Standard Allowances and benefits; Specific-Purpose Allowances and Benefits; or Incentives following items 4 (f), (g) and (h) hereof: PROVIDED, FURTHER, That the DBM shall determine the qualifications, conditions and rates in the grant of said benefits.

For this purpose, the DBM is hereby authorized to issue the necessary guidelines, rules and regulations, in coordination with the agencies concerned.

Accordingly, the consultative councils, departments and officials previously authorized to issue the implementing rules and regulations of Magna Carta Benefits shall no longer exercise said function relative to the grant of such benefits.

7. **Local Government Units** - The position titles, salary grades, salary rates, grant of allowances, benefits and incentives of local government units officials and employees shall be in accordance with the pertinent provisions of this Joint Resolution.

- (a) To ensure LGU capability to fund salary adjustments on a sustainable basis, the salary rates for LGUs officials and employees shall be determined on the basis of the income class and financial capability of each LGU which shall not exceed the following percentages of the rates in the Salary Schedule under item 4 (b) of this Joint Resolution to be implemented in tranches:

	For provinces/ cities	For municipalities
Special Cities	100%	
1 <sup>st</sup> Class	100%	90%
2 <sup>nd</sup> Class	95%	85%
3 <sup>rd</sup> Class	90%	80%
4 <sup>th</sup> Class	85%	75%
5 <sup>th</sup> Class	80%	70%
6 <sup>th</sup> Class	75%	65%

- (b) Other allowances, benefits and incentives, same as those for national government personnel, may be granted to LGU personnel similarly situated at such qualifications, conditions and rates, in accordance with the policies by the President.

8. **Exempt Entities** – Government agencies which by specific provision/s of laws are authorized to have their own compensation and position classification system shall not be entitled to the salary adjustments provided herein. Exempt Entities shall be governed by their respective compensation and position classification system: *PROVIDED*, That such entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President: *PROVED, FURTHER*, That any increase in their existing salary rates, as well as the grant of new or increase in the rates of existing allowances, benefits and incentives shall be subject to the approval by the President, upon recommendation of the DBM.
9. **Non-Diminution in the Basic Salaries of Incumbent Employees** – In no case shall there be any diminution in the basic salaries of incumbent employees upon the implementation of this Joint Resolution. For this purpose, they shall receive the new salary rates prescribed herein, to be implemented in tranches, which shall in no case be less than their existing salary rates.
10. **Funding Source** – The funding sources for the amounts necessary to implement the modified Compensation and Position Classification System shall be as follows:
- a. For national government entities, the amount shall be charged against appropriations set aside for the purpose in the FY 2009 General Appropriations Act and from savings generated by the different departments, bureaus, offices and agencies of the government. Thereafter, such amounts as are needed shall be included in the annual General Appropriations Act.
  - b. For GOCCs and GFIs, the amounts shall come from their respective corporate funds in the approved corporate operating budgets. Government corporations which do not have adequate or sufficient funds shall only partially implement the established rates: *PROVIDED*, That any partial implementation shall be at uniform proportion of the established rates for all positions in each government corporation.
  - c. For LGUS, the amount shall be charged against their respective local government funds. LGUS which do not have adequate or sufficient funds may only partially implement the established rates: *PROVIDED*, That any partial implementation shall be at uniform proportion of the established rates for all positions in each local government unit.
11. **Implementation** – The implementation of the new salary schedule shall take effect on July 1, 2009.
12. **Applicability to certain Constitutional Officials** – Pursuant to Section 6 of Article VII and Section 10 of Article VI of the Constitution, the salary adjustment prescribed herein for the President of the Philippines.
13. **Applicability of Other Laws** – All provisions of Presidential Decree No. 985, as amended by Presidential Decree No. 1597, Republic Act No. 6758, as amended by Senate and House of Representatives, Joint Resolution No. 01, s. 1994, which are consistent with and are not expressly modified revoked or repealed by this Joint Resolution shall continue to be in full force and effect.
14. **Amendment of Existing Laws** – The provisions of all laws, decrees, executive orders, corporate charters, rules, regulations, circulars, approvals, and other



issuances, or parts thereof that are inconsistent with the provisions of this Joint Resolution, such as but not limited to Republic Act No. 4670, Republic Act No. 7305, Republic Act no. 8439, and Republic Act No. 9433 are hereby amended.

15. **Functional Responsibilities of the Department of Budget and Management**

- In addition to the powers and functions provided in the pertinent items of this Joint Resolution, and Presidential Decree No. 985, as amended by Presidential Decree No. 1597, Republic Act No. 6758, as amended by Senate and House of Representatives, Joint Resolution No. 01, s. 1994, the DBM shall:

- a. Prepare and issue the guidelines, rules and regulations to implement the modified Compensation and Position Classification System herein established consistent with the Executive Orders to be issued by the President;
- b. Administer the modified Compensation and Position Classification System;
- c. Review on a continuing and recommend for the consideration and approval of the President, the existing modified Compensation and Position Classification System, as well as the policies on and levels of allowances, benefits and incentive applicable to all government personnel, including those from exempt entities;
- d. Decide on all issues pertaining to the proper interpretation and implementation of the provisions in this Joint Resolution.

**ADOPTED,**

  
JUAN PONCE ENRILE  
Senator