

SENATE

9 MAY 26 10:13

COMMITTEE REPORT NO. 457 RECEIVED BY A

Submitted Jointly by the Committees on Finance and Civil Service and Government Reorganization on MAY 26 2009

Re: Senate Joint Resolution No. 26 (Prepared by the Committee)

Recommending its approval in substitution of Senate Joint Resolution No. 23, Senate Bill Nos. 42, 1653, 1792, 2140, and 2420; and Senate Resolution Nos. 477, and 543; and House Bill No. 3819

Sponsor: Senator Edgardo J. Angara

Mr. President:

The Committees on Finance and Civil Service and Government Reorganization; to which were primarily and secondarily referred Senate Joint Resolution No. 23, introduced by Senate President Juan Ponce Enrile, entitled:

**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**

Senate Bill No. 42 introduced by Sen. Lacson, entitled:

**AN ACT ADOPTING AN OMNIBUS JOB CLASSIFICATION AND COMPENSATION STANDARDIZATION SYSTEM IN THE CIVIL SERVICE, APPROPRIATING FUNDS THEREFOR, PROVIDING PENAL SANCTIONS FOR VIOLATIONS THEREOF, AND FOR OTHER PURPOSES**

Senate Bill No. 1653 introduced by Sen. Legarda, entitled:

**AN ACT ADOPTING AN OMNIBUS JOB CLASSIFICATION AND COMPENSATION STANDARDIZATION SYSTEM IN THE CIVIL SERVICE, APPROPRIATING FUNDS THEREFOR, PROVIDING PENAL SANCTIONS FOR VIOLATIONS THEREOF, AND FOR OTHER PURPOSES**

Senate Bill No. 1792 introduced by Sen. Trillanes III, entitled:

**AN ACT ADOPTING AN OMNIBUS JOB CLASSIFICATION AND COMPENSATION STANDARDIZATION SYSTEM IN THE CIVIL SERVICE, APPROPRIATING FUNDS THEREFOR, PROVIDING PENAL SANCTIONS FOR VIOLATIONS THEREOF, AND FOR OTHER PURPOSES**

Senate Bill No. 2140 introduced by Sen. Honasan, entitled:

**AN ACT PROVIDING FOR A THREE THOUSAND PESOS (P 3,000.00) ACROSS-THE-BOARD INCREASE IN THE MONTHLY WAGE AND SALARY RATES OF EMPLOYEES IN THE PUBLIC SECTOR AND FOR OTHER PURPOSES**

Senate Bill No. 2420 introduced by Sen. Legarda, entitled:

**AN ACT AUTHORIZING COMPENSATION ADJUSTMENTS TO NATIONAL GOVERNMENT PERSONNEL**

Senate Resolution No. 477 introduced by Sen. Revilla, Jr., entitled:

**RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY AND REVIEW OF REPUBLIC ACT NO. 6758, OTHERWISE KNOWN AS AN ACT PRESCRIBING A REVISED COMPENSATION AND POSITION CLASSIFICATION SYSTEM IN THE GOVERNMENT AND FOR OTHER PURPOSES**

Senate Resolution No. 543 introduced by Sen. Villar, entitled:

**RESOLUTION URGING THE SENATE COMMITTEES ON FINANCE; AND CIVIL SERVICE AND GOVERNMENT REORGANIZATION TO CONDUCT AN OMNIBUS ASSESSMENT AND REVIEW, IN AID OF LEGISLATION, ON THE SALARY STANDARDIZATION LAW UNDER REPUBLIC ACT NO. 6758, AS AMENDED, WITH THE TWIN OBJECTIVES OF UPDATING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM GOVERNING THE CORPS OF GOVERNMENT PERSONNEL AND STRENGTHENING THE FURTHER PROFESSIONALIZATION OF THE PUBLIC SECTOR**

and House Bill No. 3819 introduced by Representatives Lagman, Lacson, Biazon, Angara, et. al.

**AN ACT AUTHORIZING COMPENSATION ADJUSTMENTS TO NATIONAL GOVERNMENT PERSONNEL**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached Senate Joint Resolution-No. 26, prepared by the Committees, entitled:

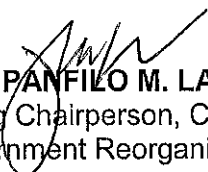
**JOINT RESOLUTION AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO MODIFY THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM OF CIVILIAN PERSONNEL AND THE BASE PAY SCHEDULE OF THE MILITARY AND UNIFORMED PERSONNEL IN THE GOVERNMENT, AND TO IMPLEMENT THE SAME INITIALLY EFFECTIVE JULY 1, 2009, AND FOR OTHER PURPOSES**

be approved in substitution of Senate Joint Resolution No. 23, Senate Bill Nos. 42, 1653, 1792, 2140, and 2420; and Senate Resolution Nos. 477, and 543; with Senators Enrile, Lacson, Legarda, Trillanes III, Honasan, Revilla, Jr., Villar and Angara as authors thereof.

RESPECTFULLY SUBMITTED

  
**SEN. EDGARDO J. ANGARA**  
Chairperson, Committee on Finance

**SEN. ANTONIO F. TRILLANES IV**  
Chairperson, Civil Service and  
Government Reorganization

  
**SEN. PANFILO M. LACSON**  
Acting Chairperson, Civil Service and  
Government Reorganization

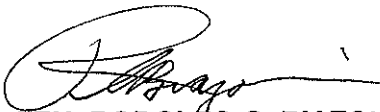
  
**SEN. GREGORIO B. HONASAN II**  
Vice Chairperson, Committee on Finance

**SEN. JOKER P ARROYO**  
Vice Chairperson, Committee on Finance

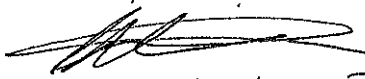
MEMBERS

**SEN. BENIGNO S. AQUINO III**  
Member, Committee on Finance

  
**SEN. MANUEL M. LAPID**  
Member, Committee on Finance

  
**SEN. RODOLFO G. BIAZON**  
Member, Committee on Finance

**SEN. LOREN B. LEGARDA**  
Member, Committee on Finance

  
*With Amendment re Teachers and Nurses pay increase.*  
**SEN. ALLAN PETER S. CAYETANO**  
Member, Committee on Finance  
Member, Civil Service and  
Government Reorganization

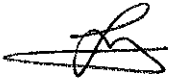
  
**SEN. M. A. MADRIGAL**  
Member, Committee on Finance

**SEN. PIA S. CAYETANO**  
Member, Committee on Finance

**SEN. FRANCIS N. PANGILINAN**  
Member, Committee on Finance

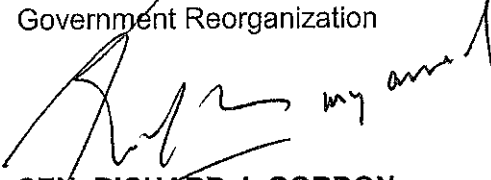
**SEN. MIRIAM DEFENSOR SANTIAGO**  
Member, Committee on Finance

  
**SEN. RAMON B. REVILLA, JR.**  
Member, Committee on Finance

 w/ amendments

**SEN. FRANCIS G. ESCUDERO**  
Member, Civil Service and  
Government Reorganization

**SEN. MAR ROXAS**  
Member, Committee on Finance

 my amend

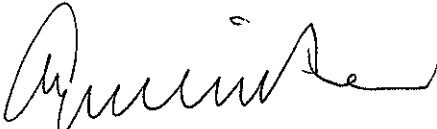
**SEN. RICHARD J. GORDON**  
Member, Committee on Finance  
Member, Civil Service and  
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**SEN. MANNY VILLAR**  
Member, Committee on Finance  
Member, Civil Service and  
Government Reorganization

**EX-OFFICIO MEMBERS**

  
**SEN. JINGGOY EJERCITO ESTRADA**  
President Pro-Tempore

  
**SEN. JUAN MIGUEL F. ZUBIRI**  
Majority Leader

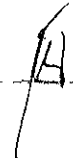
  
**SEN. AQUILINO Q. PIMENTEL, JR.**  
Minority Leader

**HON. JUAN PONCE ENRILE**  
President  
Senate of the Philippines  
Pasay City

9 MAY 26 AS:13

SENATE

Joint Resolution No. 26

RECEIVED BY 

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Prepared by the Committee in substitution of Senate Joint Resolution No. 23, Senate Bill Nos. 42, 1653, 1792, 2140 and 2420; Senate Resolution Nos. 477 and 543; with Senators Enrile, Lacson, Legarda, Trillanes III, Honasan, Revilla Jr, Villar and Angara as authors thereof.

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**JOINT RESOLUTION AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO MODIFY THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM OF CIVILIAN PERSONNEL AND THE BASE PAY SCHEDULE OF MILITARY AND UNIFORMED PERSONNEL IN THE GOVERNMENT, AND TO IMPLEMENT THE SAME INITIALLY EFFECTIVE JULY 1, 2009, AND FOR OTHER PURPOSES.**

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

6  
7           **WHEREAS**, Republic Act No. 6758 prescribes a revised Compensation and Position  
8 Classification System for civilian personnel in accordance with the above-cited  
9 Constitutional provision and anchored on the basic principle of equal pay for substantially  
10 equal work;

11  
12           **WHEREAS**, *Joint Resolution No. 01 of the Senate and the House of Representatives*,  
13 which was approved by the President of the Philippines on March 7, 1994, urged the latter  
14 to revise the then existing Compensation and Position Classification System for civilian  
15 personnel and base pay of military and uniformed personnel to make it more responsive to  
16 the economic needs of government personnel, to provide adequate incentives to public  
17 servants and to improve the quality of public services;

18

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

5  
6           **WHEREAS**, the current structure of the Salary Schedule causes the overlapping of  
7 salaries between salary grades, thereby resulting to salary inequities between positions;

8  
9           **WHEREAS**, the grant of benefits to selected professions under special laws  
10 undermines the compensation standardization and equal protection of the law clauses in  
11 the Constitution, distorts the standardized compensation scheme and breeds  
12 demoralization among other government employees;

13  
14           **WHEREAS**, the military personnel of the Department of National Defense and  
15 uniformed personnel of the Department of Interior and Local Government, Philippine Coast  
16 Guard, and the National Mapping and Resource Information are similarly in need of a  
17 modified base pay that provides adequate remuneration and benefits in view of the vital  
18 role they play in internal security;

19  
20           **WHEREAS**, in order to make the present Compensation and Position Classification  
21 System and Base Pay Schedule more effective in motivating government personnel and in  
22 invigorating public service, reforms in the present System and Pay Schedule need to be  
23 instituted;

24  
25           **NOW, THEREFORE**, be it:

26  
27           *Resolved by the Senate and the House of Representatives in Congress assembled, To*  
28 *authorize the President of the Philippines to modify the existing Compensation and*  
29 *Position Classification System of civilian personnel and Base Pay Schedule of military and*  
30 *uniformed personnel and to initially implement the same effective July 1, 2009;*

31  
32           *Resolved, Further, To express the strong sentiment of the Senate and the House of*  
33 *Representatives that said modification must be in line with the governing principles,*  
34 *coverage and particulars of the Compensation and Position Classification System and Base*  
35 *Pay Schedule prescribed hereunder.*

36  
37           *Resolved, Finally, That the amendment of existing laws and issuances contrary to*  
38 *the provisions of this Joint Resolution shall be effective upon the approval of the said*  
39 *Resolution.*

1           **(1.) Governing Principles** – The following principles shall govern the modified  
2 Compensation and Position Classification System and Base Pay Schedule of the  
3 government:

4  
5           (a) All government personnel shall be paid just and equitable  
6 compensation in accordance with the principle of equal pay for work of equal  
7 value. Differences in pay shall be based on verifiable compensation and  
8 position classification factors;

9  
10          (b) The compensation for all civilian government personnel shall  
11 generally be comparable with those in the private sector doing comparable  
12 work in order to attract, retain and motivate a corps of competent civil  
13 servants;

14  
15          (c) The compensation for all civilian government personnel shall  
16 likewise be standardized and rationalized across all government agencies to  
17 create an enabling environment that will promote social justice, integrity,  
18 efficiency, productivity, accountability and excellence in the civil service;

19  
20          (d) A performance-based incentive scheme which integrates personnel  
21 and organizational performance shall be established to reward exemplary civil  
22 servants and well-performing institutions based on the Performance  
23 Management System Office Performance Evaluation System (PMS-OPES) or  
24 other similar performance evaluation systems approved by the Civil Service  
25 Commission (CSC).

26  
27          (e) A periodic review of the government's Compensation and Position  
28 Classification System shall be conducted every three (3) years, taking into  
29 account the changes in skills and competency requirement in the  
30 bureaucracy, the relative demand for certain expertise, the possible erosion in  
31 the purchasing power due to inflation, and other factors. The Base Pay  
32 Schedule of military and uniformed personnel shall likewise be subject to the  
33 said periodic review to ensure that they are adequately compensated.

34  
35          (f) The Base Pay Schedule of military and uniformed personnel of the  
36 government shall likewise reflect prevailing economic realities and create  
37 professionalism, exemplary performance, and commitment to service; and,  
38

1 (g) The compensation for all government personnel shall be kept fair and  
2 reasonable in recognition of fiscal realities and an efficient allocation of  
3 personal services cost which shall be maintained at a realistic level in  
4 proportion to the over-all expenditure of the government.  
5

6 **(2) Coverage** – The Compensation and Position Classification System herein  
7 provided under Sections 3,4,5,6 and 7 shall apply to all positions for civilian government  
8 personnel in the Executive, Legislative, and Judicial Branches, the Constitutional  
9 Commissions, State Universities and Colleges (SUCs), Government-Owned or Controlled  
10 Corporations (GOCCs), Government Financial Institutions (GFIs), and Local Government  
11 Units (LGUs), whether regular, casual or contractual in nature, appointive or elective, on  
12 full-time or part-time basis, now existing or hereafter created. The Base Pay Schedule  
13 herein provided in Section 8 shall apply to the military and uniformed personnel.  
14

15 Individuals and groups of personnel whose services are engaged through job orders  
16 or contracts of services shall be excluded from the coverage of the System.  
17

18 **(3) Position Classification System**  
19

20 (a) Re-categorized Groups of Classes of Positions – The classes of  
21 positions shall be re-categorized as follows: (i) Sub-Professional Category, (ii)  
22 Professional category, and (iii) Executive Category.  
23

24 (i) Sub-Professional Category – This category includes positions  
25 involved in structured work in support of office operations or those  
26 engaged in arts, crafts, trades, manual, or clerical work.  
27

28 Also included in this category are positions engaged in supervising  
29 groups of employees performing such work.  
30

31 These positions require completion of up to elementary education,  
32 secondary or vocational education or completion of at least two (2)  
33 years of college education, and skills acquired through training and  
34 moderate to considerable experience and knowledge of a limited  
35 subject matter or skills in arts, crafts, trades, manual and clerical work.  
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37 (ii) Professional Category – This category includes positions  
38 performing work requiring the exercise of profession or application of  
39 knowledge acquired through formal training in a particular field or the



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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 at least a bachelor's degree. Elective 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 them to the more appropriate number of levels that recognizes reasonable gradations in the levels of difficulty, changes and complexity of the duties and responsibilities of positions, work methods, skills, competencies and other relevant factors and to convert them into generic, brief but descriptive, and gender-neutral class/position titles.

In view thereof, the Position Classification System shall be supported by 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**

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

- 7
- 8 (i) Basic Salaries, including Step Increments;
- 9 (ii) Standard Allowances and Benefits;
- 10 (iii) Specific-Purpose Allowances and Benefits; and
- 11 (iv) Incentives.
- 12

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

17

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

20 Monthly Salary Schedule (In Pesos)

21

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,000	9,090	9,181	9,273	9,365	9,459	9,554	9,649
2	9,675	9,772	9,869	9,968	10,068	10,169	10,270	10,373
3	10,401	10,505	10,610	10,716	10,823	10,931	11,040	11,151
4	11,181	11,292	11,405	11,519	11,635	11,751	11,869	11,987
5	12,019	12,139	12,261	12,383	12,507	12,632	12,759	12,886
6	12,921	13,050	13,180	13,312	13,445	13,580	13,716	13,853
7	13,890	14,029	14,169	14,311	14,454	14,598	14,744	14,892
8	14,931	15,081	15,232	15,384	15,538	15,693	15,850	16,009
9	16,051	16,212	16,374	16,538	16,703	16,870	17,039	17,209
10	17,255	17,428	17,602	17,778	17,956	18,135	18,317	18,500
11	18,549	18,735	18,922	19,111	19,302	19,495	19,690	19,887
12	19,940	20,140	20,341	20,545	20,750	20,958	21,167	21,379
13	21,436	21,650	21,867	22,086	22,306	22,529	22,755	22,982
14	23,044	23,274	23,507	23,742	23,979	24,219	24,461	24,706
15	24,887	25,161	25,438	25,718	26,000	26,286	26,576	26,868

16	26,878	27,174	27,473	27,775	28,080	28,389	28,702	29,017
17	29,028	29,348	29,671	29,997	30,327	30,661	30,998	31,339
18	31,351	31,696	32,044	32,397	32,753	33,113	33,478	33,846
19	33,859	34,231	34,608	34,988	35,373	35,762	36,156	36,554
20	36,567	36,970	37,376	37,788	38,203	38,623	39,048	39,478
21	39,493	39,927	40,367	40,811	41,259	41,713	42,172	42,636
22	42,652	43,121	43,596	44,075	44,560	45,050	45,546	46,047
23	46,064	46,571	47,083	47,601	48,125	48,654	49,190	49,731
24	49,750	50,297	50,850	51,410	51,975	52,547	53,125	53,709
25	53,730	54,321	54,918	55,522	56,133	56,750	57,375	58,006
26	58,028	58,666	59,312	59,964	60,624	61,291	61,965	62,646
27	62,670	63,360	64,057	64,761	65,474	66,194	66,922	67,658
28	67,684	68,428	69,181	69,942	70,711	71,489	72,276	73,071
29	73,099	73,903	74,716	75,537	76,368	77,208	78,058	78,916
30	78,946	79,815	80,693	81,580	82,478	83,385	84,302	85,230
31	90,000	90,990	91,991	93,003	94,026	95,060	96,106	97,163
32	103,000	104,133	105,278	106,437	107,607	108,791	109,988	111,198
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(c) Salary Grade Assignments of Positions – The salary grades for positions for Constitutional Officials and their equivalent shall be as provided under Section 8, Republic Act No. 6758.

The benchmark position schedule in item (4), Senate and House of Representatives Joint Resolution No. 01, s. 1994, is abolished.

The existing position classification factors and other relevant factors, shall guide the DBM in the review of salary grade assignments for classes of positions below those for Constitutional Officials and their equivalent for possible modifications in view of organizational, technological, professional and other developments, and in determining the salary grade assignments of new classes of positions.

(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 the CSC.

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Employees authorized to receive Longevity Pay under existing laws shall no longer be entitled to Step Increments Due to Length of Service. The grant of Step Increment based on Merit and Performance shall be in lieu of the Productivity Incentive Benefit.

(e) Rationalization of Allowances, Benefits and Incentives – The coverage, 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 of the qualifications and conditions laid down by the President.

Provident fund benefit and other benefits, which are excluded in the consideration of the total compensation framework as may be determined by the DBM, shall be rationalized in accordance with the policies to be issued by the President upon recommendation of the DBM.

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

- (i) Personnel Economic Relief Allowance– This shall be given at P2,000 and this refers to the combined total of the current P500 Personnel Economic Relief Allowance and the P1,500 Additional Compensation, to supplement pay due to the rising cost of living;
- (ii) Uniform/Clothing Allowance~ This is given in cash to provide for the required uniform/clothing to employees, at prescribed rates;

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(iii) Year-End Bonus and Cash Gift- This is equivalent to one (1) month basic salary and cash gift provided under Republic Act No. 6686, as amended by Republic Act No. 8441.

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

(i) Representation and Transportation Allowances- These are given to officials down to division chiefs at monthly standard rates in order to defray transportation and representation expenses while in the actual performance of the duties of the positions. Transportation allowance shall not be given to those assigned government transportation;

(ii) Per Diem - This is compensation for attendance in meetings in view of membership in collegial bodies created by law;

(iii) Honoraria- These are token payments in recognition of services rendered beyond the regular duties and responsibilities of positions;

(iv) Night-Shift Differential- This premium is given to an employee whose regular working hours fall wholly or partially within six o'clock in the evening to six o'clock in the morning of the following day;

(v) Overtime Pay- This is cash payment for work performed by an employee beyond the regular working hours in a day, and those performed on rest days, holidays, and non-working days;

(vi) Subsistence Allowance- This is an allowance for meal or sustenance given only to government personnel who, by the nature of the duties and responsibilities of their positions, have to make their services available at all times in their places of work even during mealtimes. This shall be given at the prescribed standard rate;

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(vii) Hazard Pay- This is a premium given only to government personnel exposed to hazardous situations such as, but not limited to, assignment in strife-torn or embattled areas, distressed or isolated stations, prison camps, mental hospitals, leprosaria, radiation-exposed clinics/ laboratories/workshops, disease-infested areas and areas declared under state of calamity or emergency which pose occupational risks or perils to life;

(viii) Special Counsel Allowance- This is an allowance for lawyer personnel in the legal staff of departments, bureaus or offices of the National Government deputized by the Office of the Solicitor General to appear in court as Special Counsel in collaboration with the Solicitor General or Prosecutors concerned;

(ix) Overseas and Other Allowances for Government Personnel Stationed Abroad- These are allowances given to government officials and employees assigned abroad at such rates authorized under Republic Act No. 7157, as amended, and its implementing rules and regulations;

(x) Other Allowances and Benefits Granted under specific conditions and situations, related to the actual performance of work, 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 an employee's loyalty to government service with at least satisfactory performance. This shall be in lieu of the Loyalty Award.

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

- 6  
7 (ii) Incentives as rewards for exceeding agency financial and  
8 operational performance targets, and to motivate employee  
9 efforts toward higher productivity, as follows:

10  
11 Collective Negotiation Agreement (CNA) Incentive – This may  
12 be granted to both management and rank-and-file employees  
13 of agencies with approved and successfully implemented CNAs  
14 in recognition of their efforts in accomplishing performance  
15 targets at lesser cost, in attaining more efficient and viable  
16 operations through cost-cutting measures and systems  
17 improvement, chargeable to savings from maintenance and  
18 other operating expenses realized through these joint efforts.

19  
20 Productivity Enhancement Incentive – This may be authorized  
21 by the President of the Philippines for the Executive branch  
22 and Local Government Units, the Senate President and Speaker  
23 of the House of Representatives for the Legislative Branch, the  
24 Chief Justice of the Supreme Court for the Judicial Branch and  
25 the Heads of Constitutional Commissions for the Constitutional  
26 Offices at the end of the year when savings resulting from  
27 productivity improvement are generated.

- 28  
29 (iii) Other existing benefits to be categorized by the DBM as  
30 incentives.

31  
32 **(5) Special Allowances** – The grant of Special Allowances to certain officials and  
33 employees as provided under Republic Act No. 9227, Republic Act No. 9279, Republic Act  
34 No. 9347, Republic Act No. 9406, Republic Act No. 9417 which shall not exceed one  
35 hundred percent (100%) of the applicable salary schedule, as provided in their respective  
36 implementing rules and regulations, shall be considered as an advance implementation of  
37 any subsequent increases in the salary rates under Republic Act No. 6758, as amended.

38

1 Accordingly, the full amount of Special Allowances or portions thereof that have  
 2 been received shall be converted as part of basic salaries as a result of the salary increases  
 3 authorized pursuant to this Joint Resolution and such other subsequent issuances and/or  
 4 laws authorizing salary adjustments: PROVIDED, That any balances in the amount of  
 5 Special Allowances not converted as part of basic salaries shall continue to be granted as  
 6 such and funded from sources specified under applicable laws: PROVIDED, FURTHER, That  
 7 the maximum limit of the Special Allowances that may be granted thereafter shall be  
 8 reduced by the amount of Special Allowances converted as part of basic salaries:  
 9 PROVIDED, FINALLY, That such Special Allowances shall cease to be granted once the full  
 10 amount of the authorized Special Allowance has been integrated in the salary of the  
 11 employee concerned.

12

13 **(6) Magna Carta Benefits** - The DBM shall review all Magna Carta benefits  
 14 authorized for specific officials and employees in the government to determine how these  
 15 may be categorized in the Total Compensation Framework: PROVIDED, That the DBM, in  
 16 coordination with the agencies concerned, shall determine the qualifications, conditions  
 17 and rates in the grant of said benefits; PROVIDED, FURTHER, that there shall be no  
 18 decrease in the amount and kind of Magna Carta benefits whether said benefits have been  
 19 already received or have yet to be implemented.

20

21 **(7) Local Government Units** - The position titles, salary grades, salary rates,  
 22 grant of allowances, benefits and incentives of local government officials and employees  
 23 shall be in accordance with the pertinent provisions of this Joint Resolution and R.A. No.  
 24 7160.

25

26 (a) The salary rates shall be determined on the basis of the income class and  
 27 financial capability of each LGU which shall not exceed the following  
 28 percentages of the rates in the Salary Schedule under item 4(b) of this  
 29 Joint Resolution:

30

	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%

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LGUs may, if their finances warrant, grant salary adjustments to their personnel pursuant to this Joint Resolution subject to the above percentages and to personal services limitation in LGU budgets under R.A. No. 7160: PROVIDED, That the grant of allowances and other benefits shall be subject to the said personal services limitation.

(b) The rates of representation and transportation allowances shall be determined on the basis of the income class of each LGU.

(c) Each barangay official/employee paid monthly honorarium may be granted year-end bonus based on the monthly honorarium rate as of October 31 of the current year, and cash gift, subject to the budgetary requirements and personal services limitation in barangay budgets under Republic Act No. 7160. The personal services limitation under the said act shall be waived insofar as the minimum year-end bonus of P1, 000 for the Punong Barangay and P 600 for the other mandatory barangay officials, and their cash gifts are concerned.

**(8) Military And Uniformed Personnel** – Military Personnel of the Department of National Defense (DND) and uniformed personnel of the Department of the Interior and Local Government (DILG), Philippine Coast Guard (PCG), and National Mapping and Resource Information Authority (NAMRIA), shall be covered by a compensation system that will promote pay equity for an effective, efficient, professional and motivated corps of military and uniformed personnel.

They shall be covered by only one Base Pay Schedule as follows:

DND	DILG		PCG AND NAMRIA	Monthly Base Pay
	BJMP AND BFP	PNP AND PPSC		
Candidate Soldier	-	-	-	P 11,265
Private	Fire/Jail Officer I	Police Officer I	APPRENTICE SEAMAN/Seaman THIRD Class	14,834
Private First Class	-	-	Seaman SECOND Class	15,952
Corporal	Fire/Jail Officer II	Police Officer II	Seaman FIRST Class	16,934
Sergeant	-	-	Petty Officer III	17,744

DND	DILG		PCG AND NAMRIA	Monthly Base Pay
	BJMP AND BFP	PNP AND PPSC		
Staff Sergeant	Fire/Jail Officer III	Police Officer III	Petty Officer II	18,665
Technical Sergeant	-	-	Petty Officer I	20,159
Master Sergeant	Senior Fire/Jail Officer I	Senior Police Officer I	Chief Petty Officer	21,771
Senior Master Sergeant	Senior Fire/Jail Officer II	Senior Police Officer II	Senior Chief Petty Officer	23,513
Chief Master Sergeant	Senior Fire/Jail Officer III	Senior Police Officer III	Master Chief Petty Officer	25,394
First Chief Master Sergeant	Senior Fire/Jail Officer IV	Senior Police Officer IV	First Master Chief Petty Officer	27,425
Cadet	-	Cadet	-	27,425
Probationary Second Lieutenant	-	-	-	27,425
Second Lieutenant	-	-	Ensign	29,945
First Lieutenant	Inspector	Inspector	Lieutenant Junior Grade	32,341
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	35,312
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	37,313
Lieutenant Colonel	Superintendent	Superintendent	Commander	40,298
Colonel	Senior Superintendent	Senior Superintendent	Captain	43,521
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	47,002
Major General	Director	Director	Rear Admiral	50,763
			Vice Admiral	54,824
Lieutenant General	-	Deputy Director-General	Admiral	59,210
General	-	Director General		67,500

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The remuneration for military and uniformed personnel shall be governed by a separate Total Compensation Framework which shall include: a) Base Pay, including Longevity Pay, b) Standard Allowances and Benefits, c) Specific-Purpose Allowances and Benefits, and d) Incentives.

1 All existing types of allowances and benefits authorized for military/uniformed  
2 personnel such as but not limited to Longevity Pay, Quarters Allowance, Subsistence  
3 Allowance, Clothing Allowance, Laundry Allowance and Hazard Pay shall continue to be  
4 authorized and categorized in accordance with this separate Total Compensation  
5 Framework.

6

7 **(9) Exempt Entities** - Government agencies which by specific provision/s of laws  
8 are authorized to have their own compensation and position classification system shall not  
9 be entitled to the salary adjustments provided herein. Exempt entities shall be governed  
10 by their respective Compensation and Position Classification Systems: PROVIDED, That  
11 such entities shall observe the policies, parameters, and guidelines governing position  
12 classification, salary rates, categories and rates of allowances, benefits and incentives,  
13 prescribed by the President: PROVIDED, FURTHER, That any increase in the existing  
14 salary rates as well as the grant of new allowances, benefits and incentives or an increase in  
15 the rates thereof shall be subject to the approval by the President, upon recommendation  
16 of the DBM: PROVIDED, FINALLY, that exempt entities which still follow the salary rates for  
17 positions covered by R.A. No. 6758, as amended, are entitled to the salary adjustments due  
18 to the implementation of this Joint Resolution, until such time that they have implemented  
19 their own Compensation and Position Classification Systems.

20

21 **(10) Disclosure of Compensation and Position Classification Systems**  
22 **Adopted by Exempt Entities** - in conformity with the provisions of item (9) hereof,  
23 exempt entities shall submit their existing compensation and Position Classification  
24 Systems and their implementation status to the DBM.

25

26 **(11) Non-Diminution in the Basic Salaries of Incumbent Employees** - In no  
27 case shall there be any diminution in the basic salaries of incumbent employees upon the  
28 implementation of this Joint Resolution. For this purpose, they shall receive the new salary  
29 rates prescribed herein, to be implemented in tranches, which in no case shall be less than  
30 their existing salary rates.

31

32 **(12) Funding Source** - The funding sources for the amounts necessary to  
33 implement the modified Compensation and Position Classification System and Base Pay  
34 Schedule shall be as follows:

35

36 (a) For National Government entities, the amounts shall be charged  
37 against appropriations set aside for the purpose in the FY 2009 General  
38 Appropriations Act and from savings generated by the different departments,

1           bureaus, offices and agencies of the government. Thereafter, such amounts as  
2           are needed shall be included in the annual General Appropriations Act.

3  
4           (b) For GOCCS and GFIs, the amounts shall come from their respective  
5           corporate funds in the approved corporate operating budgets. Government  
6           corporations which do not have adequate or sufficient funds shall only partially  
7           implement the established rates: PROVIDED, That any partial implementation  
8           shall be at uniform proportion of the established rates for all positions in each  
9           government corporation.

10  
11           (c) For LGUs, the amount shall be charged against their respective local  
12           government funds. LGUs which do not have adequate or sufficient funds may  
13           only partially implement the established rates for their income classes:  
14           PROVIDED, That any partial implementation shall be at uniform proportion of  
15           the established rates for all positions in each local government unit.

16  
17           **(13) Initial Implementation** – The salary schedule in item (4)(b) and the  
18           base pay schedule in item (8) shall be implemented within four (4) years PROVIDED, That  
19           the initial implementation shall take effect July 1, 2009.

20  
21           **(14) Applicability to Certain Constitutional Officials** – Pursuant to Section 6 of  
22           Article VII and Section 10 of Article VI of the Constitution, the salaries prescribed herein for  
23           the President of the Philippines, Vice-President of The Philippines, and members of  
24           Congress shall take effect only after the expiration of the respective terms of the present  
25           incumbents.

26  
27           **(15) Applicability of Other Laws** – All provisions of Presidential Decree No. 985,  
28           as amended by Presidential Decree No. 1597, Republic Act No. 6758 as amended by Senate  
29           and House of Representatives Joint Resolution No. 01, s. 1994, which are consistent with  
30           and are not expressly modified, revoked or repealed by this Joint Resolution shall continue  
31           to be in full force and effect.

32  
33           **(16) Amendment of Existing Laws** – The provisions of all laws, decrees, executive  
34           orders, corporate charters, rules, regulations, circulars, approvals, and other issuances, or  
35           parts thereof, that are inconsistent with the provisions of this Joint Resolution, such as, but  
36           not limited to, Republic Act No. 4670; Republic Act No. 7160, Republic Act No. 7305;  
37           Republic Act No. 8439; Republic Act No. 8551, Executive Order No. 107 dated June 10,  
38           1999, Republic Act No. 9286; Republic Act No. 9166, and Republic Act No. 9433 are hereby  
39           amended.

1 All provisions of laws, executive orders, corporate charters, implementing rules and  
2 regulations prescribing salary grades for government officials and employees other than  
3 those in section 8, Republic Act No. 6758, are repealed.

4  
5 **(17) Functional Responsibilities of the Department of Budget and**  
6 **Management** – In addition to the powers and functions provided in the pertinent items of  
7 this Joint Resolution, and Presidential Decree No. 985, as amended by Presidential Decree  
8 No. 1597, Republic Act No. 6758, as amended by Senate and House of Representatives Joint  
9 Resolution No. 01, s. 1994, the DBM shall:

10  
11 (a) Prepare and issue the guidelines, rules and regulations necessary to  
12 *implement the modified Compensation and Position Classification System* for all  
13 government personnel herein established consistent with the Executive Orders to  
14 be issued by the President;

15  
16 (b) Administer the modified Compensation and Position Classification  
17 System;

18  
19 (c) Undertake a continuing review of the Compensation and Position  
20 Classification System for civilian government personnel in coordination with the  
21 Civil Service Commission;

22  
23 (d) Recommend for the consideration and approval of the President, the  
24 updating of the Compensation and Position Classification System and Base Pay  
25 Schedule for all government personnel, including military and uniformed  
26 personnel, as well as the policies on and levels of allowances, benefits and  
27 incentives applicable to all government personnel, including those for exempt  
28 entities.

29  
30 **(18) Preparation of a Consolidated Compensation and Position Classification**  
31 **Report** – The DBM shall prepare a consolidated Compensation and Position Classification  
32 Report, summarizing the approved systems for all government entities in the national  
33 government, government-owned or controlled corporations and government financial  
34 institutions including exempt entities and the status of implementation thereof. Said report  
35 shall be periodically updated and submitted to Congress and the Commission on Audit for  
36 public disclosure, monitoring, compliance with established policies, and as basis for future  
37 policy decisions.

38  
39 **Adopted,**