

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

7 JUN 30 P4 58

SENATE

RECEIVED BY: 

S. No. 254

INTRODUCED BY THE HONORABLE MAR ROXAS

EXPLANATORY NOTE

This bill seeks to update the standards used by government in evaluating compensation and position levels of public employees by allowing periodic rate adjustments in their salary schedule based on cost of living.

Republic Act No. 6758, or An Act Prescribing a Revised Compensation and Position Classification System in the Government, was passed in 21 August 1989 to establish a unified wage and qualification system. It introduced a salary schedule for positions paid annually or monthly and allowed initial grade salaries that range from P2,000 to P25,000. In 1993, Congress passed Joint Resolution No. 01 increasing initial grade salaries from P2,000 to P4,000 and P25,000 to P50,000. The fifty percent (50%) increase was expected to improve the quality of public service by making the system more responsive to the economic needs of government personnel, and to provide adequate incentive to public servants. The next and last adjustment was in 2001, which provided a seventeen percent (17%) increase on the average in initial grade salaries, on salary range P5,082 and P57,750. It has been four (4) years since the last adjustment, and inflation has grown at an average of six percent (6%) for the past ten (10) years.

According to the World Bank, senior civil servants in the Philippines only receive twenty percent (20%) of what their private sector equivalents receive. Narrowing the gap in compensation levels between public and private employees could be a way to promote good governance in the public sector. Good governance requires a high level of effectiveness, accountability and transparency, which can only be achieved if government will be able to attract and retain highly skilled and competent personnel. Government needs to give competitive salaries, otherwise, all good men will be lost to the private sector, locally and abroad. Failure to attract and retain competent public servants leads to weak governance and could result to bad decisions that could adversely affect our country.


In view of the foregoing, the immediate approval of this measure is earnestly requested.


M A R ROXAS
Senator

FOURTEENTH CONGRESS OF THE)
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S. No. 254

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AN ACT
PROVIDING FOR UPGRADE OF THE STANDARD SALARY OF
ALL GOVERNMENT PERSONNEL, PROVIDING BENEFITS
FOR EARLY RETIREMENT AND VOLUNTARY SEPARATION
FROM GOVERNMENT SERVICE, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 6758 ENTITLED "AN ACT PRESCRIBING
A REVISED COMPENSATION AND POSITION CLASSIFICATION SYSTEM
IN THE GOVERNMENT", AND FOR OTHER PURPOSES

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

1 SECTION 1. *Short Title* - This Act shall be known as the "Upgrade of Standard Salary of
2 Government Personnel Act of 2005."

3 SEC. 2. Republic Act No. 6758, Section 7 is hereby amended to read as follows:

4 "SEC. 7. *Salary Schedule*. - The Department of Budget and Management is
5 hereby directed to implement the Salary Schedule prescribed below:

Salary Schedule

Grade	1st	2nd	3rd	4th	5th	6th	7th	8th
1-	2,000	2,020	2,040	2,061	2,081	2,102	2,123	2,144
2-	2,073	2,094	2,115	2,136	2,158	2,179	2,201	2,223
3-	2,156	2,178	2,200	2,222	2,244	2,266	2,289	2,312
4-	2,250	2,272	2,295	2,318	2,341	2,364	2,388	2,412
5 -	2,355	2,378	2,402	2,426	2,450	2,475	2,500	2,525
6 -	2,473	2,497	2,522	2,547	2,573	2,599	2,625	2,651
7-	2,604	2,630	2,657	2,683	2,710	2,737	2,765	2,793
8-	2,752	2,779	2,807	2,835	2,864	2,892	2,921	2,950

9 -	2,917	2,946	2,976	3,005	3,036	3,066	3,097	3,127
10 -	3,102	3,133	3,164	3,196	3,228	3,260	3,293	3,325
11 -	3,309	3,342	3,375	3,409	3,443	3,477	3,512	3,547
12 -	3,540	3,576	3,611	3,647	3,684	3,721	3,758	3,796
13 -	3,800	3,838	3,876	3,915	3,954	3,994	4,033	4,074
14 -	4,091	4,132	4,173	4,215	4,257	4,300	4,343	4,386
15 -	4,418	4,463	4,507	4,552	4,598	4,644	4,690	4,737
16 -	4,786	4,834	4,883	4,932	4,981	5,031	5,081	5,132
17 -	5,201	5,253	5,306	5,359	5,413	5,467	5,521	5,577
18 -	5,670	5,726	5,784	5,841	5,900	5,959	6,018	6,079
19 -	6,199	6,261	6,323	6,386	6,450	6,515	6,580	6,646
20 -	6,798	6,866	6,935	7,004	7,074	7,145	7,216	7,288
21 -	7,478	7,553	7,628	7,704	7,781	7,859	7,938	8,017
22 -	8,250	8,333	8,416	8,500	8,585	8,671	8,758	8,845
23 -	9,131	9,222	9,314	9,407	9,501	9,596	9,692	9,789
24 -	10,135	10,236	10,339	10,442	10,546	10,652	10,758	10,866
25 -	11,385	11,499	11,614	11,730	11,847	11,966	12,085	12,206
26 -	12,650	12,777	12,904	13,033	13,164	13,295	13,428	13,563
27 -	13,915	14,054	14,195	14,337	14,480	14,625	14,771	14,919
28 -	15,180	15,332	15,485	15,640	15,796	15,954	16,114	16,275
29 -	17,075	17,246	17,418	17,592	17,768	17,946	18,125	18,307
30 -	18,975							
31 -	19,550							
32 -	22,000							
33 -	25,000							

1 The above Salary Schedule shall be used for positions that are paid on
2 the annual or monthly rate basis. All salaries in the Salary Schedule expressed
3 as monthly rates in pesos shall represent full compensation for full-time
4 employment, regardless of where the work is performed. Salaries for services
5 rendered on a part-time basis shall be adjusted proportionately.

6 THE FOREGOING SCHEDULE SHALL BE ADJUSTED EVERY FOUR (4)
7 YEARS OR WHENEVER NECESSARY, TO THE PREVAILING COST OF LIVING
8 INDEX AS DETERMINED BY THE ORGANIZATION, POSITION AND
9 CLASSIFICATION BUREAU OF THE DEPARTMENT OF BUDGET AND
10 MANAGEMENT; *PROVIDED*, THAT THE SAME SHALL BE IMPLEMENTED
11 ONLY UPON APPROVAL BY CONGRESS.

1 PURSUANT TO THIS, THE ORGANIZATION, POSITION AND
2 CLASSIFICATION BUREAU OF THE DEPARTMENT OF BUDGET AND
3 MANAGEMENT SHALL REVIEW AND RECOMMEND WITHIN SIXTY (60) DAYS
4 FROM THE EFFECTIVITY OF THIS ACT, ADJUSTMENTS TO SALARY
5 STANDARDS, IN CONSULTATION WITH THE NATIONAL ECONOMIC
6 DEVELOPMENT AUTHORITY, DEPARTMENT OF FINANCE, CIVIL SERVICE
7 COMMISSION, GOVERNMENT SERVICE INSURANCE SYSTEM, DEPARTMENT
8 OF TRADE AND INDUSTRY, DEPARTMENT OF ENERGY, THE LAND
9 TRANSPORTATION AND FRANCHISING REGULATORY BOARD,
10 REPRESENTATIVES FROM THE PRIVATE SECTOR AND CIVIL SERVICE
11 EMPLOYEES.

12 THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL SUBMIT A
13 REPORT TO CONGRESS AFTER EVERY REVIEW.

14 [The Department of Budget and Management shall update the above Schedule
15 whenever there are across-the-board salary adjustments as may be provided by law.]

16 The daily wage rate shall be determined by dividing the monthly salary rate
17 by twenty-two (22) working days per month.

18 SEC. 3. A new section is hereby inserted between Sections 18 and 19 of Republic Act
19 No. 6758, to read as follows:

20 SEC. 19. *EARLY RETIREMENT AND VOLUNTARY SEPARATION*
21 *BENEFITS* - THE ORGANIZATION, POSITION AND CLASSIFICATION
22 BUREAU OF THE DEPARTMENT OF BUDGET AND MANAGEMENT
23 SHALL ALSO REVIEW AND RECOMMEND AN EARLY RETIREMENT
24 AND VOLUNTARY SEPARATION PACKAGE TO ALLOW GOVERNMENT

1 OFFICIALS AND EMPLOYEES TO VOLUNTARILY ELECT IN WRITING TO
2 BE RETIRED OR SEPARATED BEFORE THE MANDATORY RETIREMENT
3 OR SEPARATION AS MANDATED BY LAW.

4 SEC. 4. *Separability Clause* - If any part or provision of this Act shall be held
5 unconstitutional or invalid, other provisions hereof that are not affected thereby shall
6 continue to be in full force and effect.

7 SEC. 5. *Repealing Clause* - All laws, presidential decrees, executive orders, rules and
8 regulations or parts thereof which are not consistent with this Act are hereby repealed,
9 amended or modified accordingly.

10 SEC. 6. *Effectivity Clause* - This Act shall take effect fifteen (15) days after its
11 publication in at least two (2) newspapers or general circulation.

Approved,