RULES AND REGULATIONS FOR THE IMPLEMENTATION OF THE REVISED COMPENSATION AND POSITION CLASSIFICATION PLAN IN GOVERNMENT-OWNED AND/ OR-CONTROLLED CORPORATIONS AND GOVERNMENT FINA...

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1.0

Purpose

This Circular is being issued in compliance with the Memorandum from the Office of the President (OP), dated 07 November 1995, directing the Department of Budget and Management (DBM) to accelerate the implementation of subject Revised Compensation and Position Classification Plan provided in Senate-House of Representatives Joint Resolution No. 1, as adopted and partially implemented by Executive Orders Nos. 164 and 218, in GOCCs/GFIs.

2.0

Coverage

All positions whether permanent, temporary, casual, emergency, or contractual in the nature of a regular employee, on full or part-time basis, now existing or hereafter created in GOCCs/GFIs.

3.0

Exemptions

3.1 Officials and employees of GOCCs/GFIs that are allowed by law to adopt a position classification and compensation plan other than that prescribed in R.A. No. 6758 and said Joint Resolution No. 1

3.2 Consultants and experts hired purely on a consultant-client basis for a limited period to perform specific activities or services with expected outputs.

3.3 Student laborers and apprentices and others similarly situated.

3.4 Laborers hired as part of a job contract (pakiao), those paid on piecework basis, including mail contractors, and others similarly situated.

4.0

Definition of Terms

4.1 The present basic salary of an incumbent for purposes of this Circular shall mean the actual basic salary received as of October 31, 1995, exclusive of Personnel Economic Relief Allowance (PERA), Additional Compensation (ADCOM), representation and transportation allowances (RATA), the 20% premium over the

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basic pay of contractual personnel and other forms of compensation usually paid outside of basic salary.

4.2 Transition allowance shall mean the excess of the present salary over the eight (maximum) step of the grade allocation of the employee's position.

5.0

Implementation Procedures

5.1 The implementation shall be on staggered basis as may be determined by the governing Board of the GOCC/GFI concerned, in accordance with the following schemes:

5.1.1 Three (3) tranches scheme for GOCCs other than GFIs:

First = effective on a date and at an amount as may be determined by the governing Board of the GOCC concerned, provided such amount shall in no case exceed 30% of the unimplemented balance of said Salary Schedule, to be implemented effective not earlier than November 1, 1995;

Second = the succeeding implementation shall also be on a date and at an amount as may be determined by the governing Board of the GOCC concerned , provided such amount shall in no case exceed 35% of the remaining balance, to be implemented not earlier than April; 1, 1996; and

Third = the residual may be implemented not earlier than November 1, 1996.

5.1.2 Two (2) tranches scheme for GFIs:

First = effective on a date and at an amount as may be determined by the governing Board of the GFI concerned, provided such amount shall in no case exceed 50% of the unimplemented balance of said Salary Schedule, to be implemented not earlier than November 1, 1995; and

Last = the remaining balance may be implemented on a date as may be determined by the governing Board of the concerned GFI but in no case shall be earlier than July 1, 1996.

5.2 GOCCs/GFIs can avail of the accelerated implementation herein authorized only if they are found qualified on the basis of the terms and conditions prescribed in the aforecited OP Memorandum and upon prior approval by the DBM. For this purpose GOCCs/GFIs shall submit to DBM an application for acceleration with the following supporting documents and information for evaluation:

5.2.1 Certification by the head of GOCC/GFI or his duly authorized representative, that it has never been seriously/critically assailed to have caused or contributed to the economic problems of the country as evidenced by duly verified/proven facts presented in a responsible published public criticism;

5.2.2 Certification by the head of GOCC/GFI or his duly authorized representative, that it has not received any form of budgetary support from the National Government (NG) to finance its operation or the implementation of its projects for three consecutive years (1993,1994 and 1995). For this purpose, budgetary support shall refer to assistance extended to GOCCs/GFIs by the NG in the form of subsidy including tax subsidy, equity, unliquidated advances by the Bureau of the Treasury (BTr) or by other government institutions, and debts and other obligations converted into subsidy or equity;

5.2.3 Certification from the head of the GOCC/GFI categorically stating that its operational performance/financial position will remain financially sound/viable and capable of financing its operations after the implementation of subject Salary Schedule.

5.2.4 Certification from the BTr as to: (i) compliance with R.A. No. 7656 and Executive Order No. 260, with

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complete information as to total dividend due and actual cash remittance(s) made as of September 30, 1995 provided that in no case of stock dividends, proof that the corresponding certificate is already transferred/delivered to BTr, and in case of property dividends, proof that the title of ownership has actually been transferred to the NG; and (ii) liquidation of all outstanding advances made by the BTr as of October 31, 1995, including all other obligations such as, but not limited to, interest on net lending, guarantee fees, and commitment fees.

5.2.5 Certification from the Bureau of Internal Revenue (BIR) and Bureau of Customs (BoC) that there are no unpaid taxes due the NG as of October 31, 1995. In case of taxes due the Local Government Units(LGUs), and their respective agencies and instrumentalities , as well as those of other agencies and instrumentalities of the NG, the concerned GOCC/GFI shall certify that they have no unpaid taxes, fees and any obligation whatsoever with these institutions.

5.2.6 Computation of the Cost impact of the accelerated implementation of the salary increase in a format prescribed in Annex A[*].

5.2.7 Audited Profit and Loss Statement, Balance Sheet, and Cash Flow Statement for CYs 1993 and 1994; Estimate for CY 1995 and Projected for CY 1996 wherein the effects of the accelerated implementation of said Plan are already included.

5.2.8 Identification of Funding source, which for CY 1995 must come from savings actually realized from within the approved Corporate Operating Budget and as defined in said OP Memorandum, and for CY 1996 must be reflected in the Cash Flow Statements referred to in item 5.2.7 above.

5.3 The GOCC/GFI that will be allowed to implement the accelerated implementation herein authorized shall not request for nor will be given any budgetary support from the NG for the next three (3) years.

5.4 The accelerated implementation shall strictly be based on the Position Allocation List (PAL) specifically approved by the DBM for the concerned GOCC/GFI pursuant to R.A. No. 6758, or Organizational Structure/Staffing Pattern pursuant to existing budgetary laws, and shall be based on the attached Salary Schedules which form an integral part of this Circular and are marked as Annex B[*] and Annex C[*] for the first and second tranches of implementation of GOCCs, Annex D[*] for the first tranche of implementation of the GFIs, and Annex E[*] for the final implementation of both the GOCC and GFIs.

5.5 The payment of the accelerated implementation shall be based on the following rules:

5.5.1 The level of classification and corresponding salary grade allocation of positions pursuant to R.A No. 6758 shall be maintained;

5.5.2 There shall be no increase in the present rates of benefits and allowances such as RATA, Provident Fund and the like, that are computed as a percentage of the basic salary as a consequence of the salary adjustments herein authorized, except for the mandatories , such as the GSIS and Employees Compensation Insurance premiums;

5.5.3 Incumbents shall receive the salary rates corresponding to their designated salary steps in the salary grade allocation of their positions as of October 31, 1995. In no case, however, shall the salary of a subordinate be adjusted to a salary rate equal to or higher than that of the adjusted salary rate of his immediate supervisor, except in cases where the actual basic salary plus transition allowance, if any, of such employee as defined in item 4.0 above is already equal to or higher than that of his immediate supervisor. Same policy shall be observed in the implementation of the subsequent adjustments referred to in item 5.1.1 above;

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5.5.4 Pursuant to the penultimate proviso of the first paragraph of Section 17 of R.A. No. 6758, the transition allowance shall be deemed included in the salary adjustments herein authorized. The excess in transition allowance thereafter, if any, shall be treated as advance implementation of, and will also be deducted from, whatever salary adjustments that such personnel will receive in the future (Illustrative examples in Annexes F-1 and F-2)[*];

5.5.5 The PERA authorized under Budget Circular Nos. 4 and 4-A, and the Additional Compensation pursuant to Administrative Order No. 53 shall continue to be paid as allowances and are not integrated in the salary rates in any of the herein attached Salary Schedules.

5.5.6 Appointments made effective November 1, 1995 and thereafter shall be at the first step of the salary grade allocation of the position under the herein attached revised Salary Schedules. In case the appointee has previously received under a duly approved appointment a salary higher than the first step of the salary grade allocation of the position, he shall be allowed said higher salary rate but not to exceed the eighth (8th) or maximum step, only if the appointment is to a position with the same salary grade allocation as, or higher than the former position, otherwise same shall only be to the first step;

5.5.7 Contractual employees whose salaries are paid out of lump sum appropriations or project funds shall be entitled to the adjusted minimum hiring rate of comparable regular position. Such employee may also be allowed a premium of not more than 20% thereof; and

5.5.8 The wage rates of daily paid employees shall be computed by dividing the monthly salary rate shown in the herein attached revised Salary Schedules by twenty-two (22) working days, provided that the total wages received by a daily paid employee in a month shall not exceed said monthly rate.

6.0

Payment of Salary Adjustment

6.1 Any salary adjustment under this Circular shall be subject to appropriate corrections/adjustments if found not in order by DBM.

6.2 The head of GOCC/GFI shall notify the official/employee concerned of any salary adjustment pursuant to this Circular through a Notice of Salary Adjustment (Annex F- for individuals). A copy of this Notice shall be furnished the GSIS if the beneficiaries are members thereof.

6.3 For officials/employees covered by similar information, such as classification of position, salary grade, present salary and adjusted salary, a Notice of Salary Adjustment (Annex G[*] - for Groups) shall be issued. A copy of this Notice shall be furnished the GSIS if the beneficiaries are members thereof.

7.0

Post-audit

7.1 The GOCC/GFI shall prepare a Plantilla of Personnel and Salary Adjustment Form (PPSAF) using Annex H[*]. A separate PPSAF shall be prepared for contractual, casual and emergency positions.

7.2 The original and four (4) copies of each of the said PPSAF which shall be certified correct by the Personnel Manager and approved by the head of the GOCC/GFI shall be submitted for post-audit to the Compensation and Position Classification Bureau (CPCB) of this Department within thirty (30) days after the grant of the salary adjustment herein authorized. CPCB shall examine and verify the said PPSAF based on its records and certify them accordingly. The certified copies shall be distributed as follows:

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7.2.1 one (1) copy to the Civil Service Commission (CSC);

7.2.2 one (1) copy to COA, for compliance with auditing requirements;

7.2.3 one (1) copy to the Office of origin; and

7.2.4 two (2) copies including the original shall remain with the CPCB for records, control and post-audit purposes.

8.0

Responsibility of the Members of the Governing Board and Head of GOCC/GFI

8.1 Members of the Governing Board and Head of GOCC/GFI shall be held personally liable for any payment of salary adjustment not in accordance with the directive of the OP as implemented by this Circular and any salary adjustment made without the required prior approval of the President of the Philippines without prejudice however, to the refund of any payment by the official/employee concerned.

8.2 It is the sole responsibility of the members of the Governing Board and Head of GOCC/GFI that have authorized the acceleration of the implementation of said Plan ahead of the date directed by the OP to make the necessary correction/adjustment to have such implementation conform with the said directive as implemented by this Circular, and to cause the return of payments made to officials/employees in the event that such GOCC/GFI has been determined not qualified to avail of the accelerated implementation herein authorized.

8.3 The head of GOCC/GFI shall be responsible for the submission of the required certifications/reports.

9.0

Contributions

The salary adjustments herein authorized are subject to the mandatory requirements of GSIS life and retirement insurance premiums and Home Development Mutual Fund (HDMF) contribution if the recipient is a member thereof.

10.0

Saving Clause

Cases not covered by the provisions of this Circular shall be referred to the Secretary of Budget and Management for resolution.

11.0

Effectivity

This Circular shall take effect November 1, 1995.

Adopted: 15 Jan. 1996

(SGD.) SALVADOR M. ENRIQUEZ, JR.
Secretary

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[*] Text available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

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