

APPROVING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) AND INDEX OF OCCUPATIONAL SERVICES, POSITION TITLES, AND JOB GRADES FOR GOCCS (IOS-G) FRAMEWORK, REPEALING E...

EXECUTIVE ORDER NO. 150, October 01, 2021

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WHEREAS, Section 16, Article XII of the Constitution provides that government-owned or -controlled corporations (GOCCs) may be established in the interest of the common good, subject to the test of economic viability;

WHEREAS, Section 5, Article IX-B of the Constitution mandates that Congress shall standardize the compensation of government officials and employees, including those in GOCCs with original charters, taking into account the nature of their responsibilities, and the qualifications required for their positions;

WHEREAS, under Republic Act (RA) No. 10149 or the "GOCC Governance Act of 2011," the Governance Commission for GOCCs (GCG) is mandated to:

- a. Classify GOCCs, as may be necessary, to guide it in exercising its powers and functions;
- b. Conduct compensation studies, develop and recommend to the President a competitive compensation and remuneration system which shall attract and retain talent, while allowing the GOCC to be financially sound and sustainable; and
- c. Develop a CPCS which shall apply to all officers and employees of GOCCs whether under the Salary Standardization Law or exempt therefrom, and shall consist of classes of positions grouped into such categories as the GCG may determine, subject to approval of the President;

WHEREAS, Section 9 of RA No. 10149 provides that, notwithstanding any law to the contrary, no GOCC shall be exempt from the coverage of the CPCS developed by the GCG under said Act;

WHEREAS, Executive Order (EO) No. 203 (s. 2016) titled, "Adopting the Compensation and Position Classification System (CPCS) and a General Index of Occupational Services (IOS) for the GOCC Sector Covered by Republic Act No. 10149, and for Other Purposes," was approved by the President on 22 March 2016;

WHEREAS, EO No. 36 (s. 2017) suspended the CPCS under EO No. 203 in light of the need to further study and review the compensation of GOCCs, to eliminate any excessive, unauthorized, illegal and/or unconscionable allowances, incentives and benefits, as well as rationalize rigorous requirements that hamper implementability of the System; and

WHEREAS, the GCG En Banc, after having conducted the requisite consultation with stakeholders, review and compensation study, has developed the new CPCS for GOCCs and submitted the same to the President for approval;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of

the powers vested in me by the Constitution and by existing laws, do hereby order:

SECTION 1. The CPCS and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework. The CPCS and the IOS-G Framework for the GOCC Sector, attached hereto, are hereby approved and shall apply to all GOCCs, Government Financial Institutions (GFIs), Government instrumentalities with Corporate Powers (GICPs)/ Government Corporate Entities (GiCPs/GCEs) (hereinafter collectively referred to as "GOCCs"), including their subsidiaries, unless excluded from the coverage of RA No. 10149.

The CPCS shall not apply to GOCCs with approved abolition or deactivation orders.

The GCG shall have the authority to convert or revise the existing position classification system of the GOCCs to be aligned with the CPCS under this Order. AH positions in GOCCs shall then be allocated by the GCG to their proper position titles and job grades in the IOS-G.

SECTION 2. No Authority to Negotiate/Bargain on the Economic Terms and Conditions of Collective Negotiation Agreements (CNAs)/ Collective Bargaining Agreements (CBAs). While recognizing the constitutional rights of workers to self-organization, collective bargaining and negotiations, the Governing Boards of all covered GOCCs shall not negotiate the economic terms and conditions of the CNAs/CBAs with their officers and employees.

CNA incentives shall be guided by the policies and guidelines established by the Department of Budget and Management (DBM) and shall be extended to cover non-chartered GOCCs to promote uniformity of allowable incentives within the GOCC Sector.

SECTION 3. Effective Date of the CPCS. The monthly basic salary structure of a GOCC and its allowances, benefits and incentives shall be effective upon issuance of the corresponding authorization from the GCG. The GCG En Bane may likewise set a uniform date of effectivity across GOCCs, which shall in no case be earlier than the date of effectivity of this Order.

SECTION 4. Non-Diminution of Authorized Salaries. In the implementation of the CPCS, there shall be no diminution in the existing authorized salaries of incumbent officers and employees of GOCCs concerned. For purposes of this Order, authorized salaries shall refer to the salary structure that has been duly authorized by the Office of the President (OP) and/or by law. An approval from the Governing Board of the GOCC, atone, shall not be considered as authorized.

SECTION 5. Compensation System. The existing compensation granted by GOCCs to its officers and employees shall be standardized in accordance with the CPCS approved under this Order. No additional compensation outside the CPCS shall be granted by the GOCC Governing Board, unless the same has been recommended by the GCG and approved by the President.

SECTION 6. Rationalization of Provident Fund. The CPCS rates on the contributions to the Provident Fund shall apply to all GOCCs, subject to rationalization measures outlined in the CPCS.

SECTION 7. Application of Step Increment. All officers and employees shall automatically start at Step 1 of the prescribed Monthly Basic Salary Structures in the CPCS, unless otherwise provided therein. The progressions in the step increments may be adjusted, subject to the implementing guidelines to be issued by the GCG.

SECTION 8. Implementing Agency. The GCG shall administer the implementation of the CPCS. The GCG shall also issue the implementing guidelines of the CPCS, including those relating to affordability, step increments, hiring rates, overtime pay, night shift differential, merit increases, and separation pay programs, taking into consideration prevailing practices in the private sector and the guiding principles provided in the CPCS.

Guidelines for the grant of higher rates of Performance-Based Bonus for GOCCs in Categories 2 or 3 of the CPCS, shall be subject to the approval of the President.

The DBM shall provide such relevant assistance to the GCG in the issuance of guidelines on matters pertaining to compensation adjustments of GOCCs.

Within ninety (90) days from the effectivity of this Order, the GCG shall submit to the OP, through the Executive Secretary, a Consolidated CPCS Report, summarizing the authorizations issued by the GCG for all covered GOCCs, and the status of implementation thereof.

SECTION 9. Periodic Review of the CPCS. The GCG En Bane shall review the CPCS three (3) years after its effectivity, and every three (3) years thereafter, taking into account the performance of GOCCs, their overall contribution to the national economy, and the possible erosion in purchasing power due to inflation and other factors.

SECTION 10. Funding. The implementation of compensation adjustments shall depend on the financial capability of a GOCC and its corporate operating budget (COB), as approved by the GOCC Governing Board and the DBM.

The amounts required for the implementation of the CPCS shall be charged against the GOCC's Personnel Services appropriations under its approved COB, provided that a GOCC shall be prohibited to source payment therefor from the following:

- a. Loans;
- b. Sale of the GOCC's asset(s) for the sole purpose of compensation adjustment; and
- c. Other schemes analogous to the foregoing.

GOCCs shall not increase their service fees for the purpose of augmenting deficiencies in the amounts prescribed herein, and neither shall compensation adjustments adversely affect the implementation of programs/projects, as well as the attainment of performance targets.

SECTION 11. Affordability. GOCCs in Category 1 that do not have adequate or sufficient funds to implement the rates thereunder as may be determined by the GCG shall partially implement the salary schedule under this Order at a lower uniform percentage across all positions for every GOCC.

GOCCs in Categories 2 and 3 of the CPCS that do not have adequate or sufficient funds to implement the rates thereunder as may be determined by the GCG shall adopt the salary schedule of lower tiers or of Category 1.

SECTION 12. Mandatory Action and Separation Incentive Pay. Any GOCC that fails or refuses to implement the CPCS rates, or the lower amounts provided under Section 11 as may be applicable, shall undergo a mandatory action and be reorganized, merged, streamlined, abolished or privatized pursuant to Section 5(a) of RA No. 10149, upon recommendation of its Supervising Agency.

All officers and employees who will be affected by the mandatory action in view of the implementation of the CPCS shall be granted the following separation incentive pay rates, unless the GCG recommends lower rates to the OP:

Government Service Rates

First 20 years $1.00 \times \text{MBS}[*] \times \text{No. of years}$

20 years and 1 day to 30 years $1.25 \times \text{MBS}[*] \times \text{No. of years}$

30 years and 1 day and above $1.50 \times \text{MBS}[*] \times \text{No. of years}$

[*]Monthly Basic Salary (MBS)

SECTION 13. Involuntary Separation and Early Retirement Incentive. Pursuant to Section 5(a) of RA No. 10149, the GCG is hereby authorized to grant an early retirement incentive (ERI) to officers and employees who voluntarily elect to be retired, and a separation incentive pay (SIP) to those involuntarily separated from service, in accordance with the rates provided under Section 12 of this Order, unless adjusted rates are recommended to and approved by the OP. The grant of ERI and SIP is in addition to retirement or separation benefits under existing laws.

SECTION 14. Repeal. EO No. 203 is hereby repealed. All other orders, rules and regulations, issuances or any part thereof, which are inconsistent with the provisions of this Order, are hereby repealed or modified accordingly.

SECTION 15. Separability Clause. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 16. Effectivity. This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation,

DONE, in the City of Manila, this 1st day of October , in the year of our Lord, Two Thousand and Twenty-One.

(SGD.) RODRIGO ROA DUTERTE

By the President:

(SGD.) SALVADOR C. MEDIALDEA

Executive Secretary

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