

GUIDELINES FOR THE INITIAL IMPLEMENTATION OF THE REVISED COMPENSATION AND POSITION CLASSIFICATION SYSTEM

DBM NATIONAL COMPENSATION CIRCULAR NO. 72, March 09, 1994

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Purpose

This Circular is being issued to prescribe rules and regulations to govern the initial implementation of the Revised Compensation and Position Classification System as mandated under Executive Order No. 164, providing for the increase in basic salaries effective January 1, 1994 as follows:

- 1.1 for Salary Grades 1 to 10, Eight Hundred Pesos (P800.00) per month; and
- 1.2 for Salary Grade 11 upwards, Seven Hundred Pesos (P700.00) per month.

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Coverage

All position whether permanent, temporary, contractual, casual, or emergency in nature, appointive or elective, on full-time or part-time basis now existing or hereafter created in the national government, state universities and colleges and government-owned and/or controlled corporations and financial institutions.

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Exemptions

- 3.1 Consultants and experts hired by government entities for a limited period to perform specific activities or services with expected outputs, who will continue to be compensated pursuant to existing applicable laws, rules and regulations until these are revised or amended.
- 3.2 Student laborers and apprentices and other similarly situated, who will continue to be compensated pursuant to existing applicable laws, rules and regulations until these are revised or amended.
- 3.3 Laborers hired as part of a job contract (pakiao), those paid on piecework basis, including mail contractors, and others similarly situated.

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Definition of Terms

- 4.1 The present salary of an incumbent for purposes of this Circular shall mean the actual basic salary rates received as of December 31, 1993, exclusive of Personnel Economic Relief Allowance (PERA), Additional Compensation, representation and transportation allowances, bonus and cash-gift, honorarium and any other form of additional compensation.
- 4.2 Transition allowance shall mean the excess of the present salary over the eight step of the grade allocation of

the employee's position.

4.3 "Over-and-above allowance" shall refer to the additional compensation other than the basic salary regularly paid on a monthly basis by the LGUs to public school teachers prior to July 1, 1989, and which was added over and above their basic salary.

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Compensation Rules

5.1 For Civilian Personnel:

5.1.1 In the initial implementation of the revised Compensation and Position Classification System, the salary grades and corresponding salary grade allocation in the salary schedule prescribed under RA 6758 shall be maintained. However, the salary rates are hereby adjusted effective January 1, 1994 pursuant to Section 2 of EO No. 164, as indicated in the following Interim Salary Schedule: [*]

5.1.2 Incumbents shall receive the salary rates corresponding to their designated salary steps in the salary grade allocation of their positions as of December 31, 1993. Likewise, incumbents of positions which were moved to a higher salary grade allocation under Joint Senate and House Resolution No. 1, s. 1994 as adopted under EO No. 164, shall receive the salary rate of their salary grade allocation as of December 31, 1993.

5.1.3 Incumbents with transition allowance and/or "over-and-above allowance" shall likewise be entitled to the salary adjustments authorized herein. The excess of their adjusted salary over the prescribed salary rates shall be treated as advance implementation of the Salary Schedule contained under Joint Senate and House Resolution No. 1, s. 1994 as adopted by EO No. 164 (Illustrative Example A. [*])

5.1.4 Appointments effective January 1, 1994 and thereafter shall be at the first step of the salary grade allocation of the position prescribed under Section 5.1.1 hereof. In case the appointee has previously received under an approved permanent appointment, a salary higher than the first step of the salary grade allocation, the existing salary rules shall apply.

5.1.5 The Personnel Economic Relief Allowance and Additional Compensation shall continue to be paid as allowances and are not considered integrated into the basic salary rates contained in the Interim Salary Schedule.

5.1.6 Contractual employees whose salaries are paid out of lump sum appropriations or project funds may be entitled to not more than 120% of the adjusted minimum hiring rate of comparable regular positions (Illustrative Example B [*]).

5.1.7 The Wage Rates of daily paid employees shall be computed by dividing the monthly salary rate shown in the Interim Salary Schedule indicated under Section 5.1.1 hereof by twenty-two working days, provided that the total wages received by a daily paid employee in a month shall not exceed said monthly salary rate.

5.1.8 The rates contained in the Interim Salary Schedule referred to under Section 5.1.1 hereof shall be used for computing retirement pay, year-end bonus and other similar benefits.

5.1.9 In accordance with Section 6, Article VII and Section 10, Article VI of the Constitution, the salary adjustment of the President, the Vice-President, and the Members of the House of Representatives shall take effect only after the expiration of their respective present term, and with the Senators, only after the expiration of the term of all the incumbent Senators.

5.2 For uniformed Personnel of the DND and the DILG — The uniformed personnel of the Department of the National Defense and the Department of the Interior and Local Government shall be paid in accordance with the

provisions of Administrative Order No. 110 of the President dated February 4, 1994.

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Prohibition

Heads of all national government agencies and corporate entities are prohibited from granting any adjustment in excess of the amounts herein authorized.

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Funding Source

The funding sources for the amounts necessary to implement the revised compensation and position classification system shall be as follows:

7.1 For national government agencies, the amount shall be charged against the Compensation Adjustment Fund and such other appropriations set aside for the purpose under RA 7663, the 1994 General Appropriations Act. Any deficiency shall be charged against savings in agency appropriations.

7.2 For government corporations, the amount shall come from their respective corporate funds. Government corporations which do not have adequate or sufficient funds shall only partially implement the established rates, provided, that any partial implementation shall be uniform and proportionate for all positions in each government corporation.

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Release of Funds

8.1 The Department of Budget and Management (DBM) shall release the covering Notice of Cash Allocation (NCA) needed to implement the salary adjustment based on the reports required to be submitted by the agencies under National Budget Circular No. 431 dated December 27, 1993. No NCA for salary adjustment shall be issued in the absence of said reports. The amount of NCA to be released shall be in addition to the guaranteed level of NCA available to the agencies.

8.2 The allotment corresponding to the above NCA and subsequent NCA releases shall be included in the Comprehensive Advice of Allotment to be issued pursuant to National Budget Circular No. 432 dated February 14, 1994.

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Payment of Salary Adjustment

9.1 Upon receipt of the NCA, agencies shall pay the required salary adjustment authorized herein, provided that payment may be effected immediately in the event that the agency has available funds for the purpose.

9.2 Any salary adjustment under this Circular shall be subject to appropriate adjustments if upon review by DBM it is found not in order.

9.3 The Head of the agency shall notify the official/employee of any salary adjustment in accordance with this Circular through a Notice of Salary Adjustment (For Individuals, Annex B[*]). A copy of this Notice shall be furnished the GSIS, if the official/employee is a member thereof.

9.4 For officials/employees covered by similar information, such as classification of position, salary grade, present salary and adjusted salary, a Notice of Salary Adjustment (For Groups, Annex C[*]) shall be issued in lieu of the form prescribed in Section 9.3 A copy of the Notice shall be furnished the GSIS if the beneficiaries are members thereof.

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Post-Audit

10.1 All agencies shall prepare for the purpose of this Circular, a Plantilla of Personnel and Salary Adjustment Form (PPSAF) as prescribed in Annex A. A separate PPSAF shall be prepared for contractual, casual, and emergency positions.

10.2 The original and three (3) copies of each of the said PPSAF which shall be certified correct by the Human Resource Management Officer/Administrative Officer and approved by the Head of the government agency shall be submitted for post-audit, within thirty (30) days after the grant of the salary adjustment, to the Compensation and Position Classification Bureau (CPCB), DBM or to the appropriate DBM Regional Office, in the case of regionalized offices. CPCB or the DBM Regional Office concerned shall examine and verify the said PPSAF based on its records and certify them accordingly. The certified copies shall then be distributed as follows:

10.2.1 one copy to the Civil Service Commission Regional Office and Field Office concerned;

10.2.2 One copy to the Commission on Audit, for compliance with auditing requirements;

10.2.3 one copy to the Office of origin; and

10.2.4 the original shall remain with the CPCB or DBM Regional Office concerned for records, control and post-audit purposes.

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Responsibility of the Head of Agency

The Head of a government agency shall be responsible for the submission of the required reports. He shall be held personally liable for any payment of salary adjustment not in accordance with the provisions of this Circular, without prejudice however, to the refund of any excess payment by the employee concerned.

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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 of the GSIS and HDMF, pursuant to RA 660 and CA 186 with respect to retirement and life insurance premiums.

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Saving Clause

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

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Effectivity

This Circular shall take effect January 1, 1994.

Adopted: 9 Mar. 1994

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

[*] Text available upon request at the Office of the National Administrative Register (ONAR), U.P. Law Center, Diliman, Quezon City.

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