

GRANTING A COST OF LIVING ALLOWANCE TO GOVERNMENT EMPLOYEES

LETTER OF IMPLEMENTATION NO. 116, May 12, 1980

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WHEREAS, the energy crisis has brought about world wide inflation and tremendously increased cost of living in the country;

WHEREAS, it is the policy of government to help augment government personnel income in times of economic crisis and inflation;

WHEREAS, P.D. No. 985 empowers the President to determine the compensation of government employees;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby. Direct and Order:

1. Each and every official/employee of the National Government, including state universities and colleges, whether permanent, temporary, emergency, contractual or casual, shall be granted a cost of living allowance of ₱3.35 a day or ₱100 per month in the case of daily or monthly employees, respectively.

2. Local government units may grant full or in part the cost of living allowance authorized under this Letter to their employees, subject to the limits of their financial position and under such conditions as may be determined by the Joint Commission on Local Government Personnel Administration.

3. The Compensation Committee created by P.D. No. 985 for government owned or controlled corporation shall immediately meet and determine compensation increases for their respective groups. No government owned or controlled corporations may authorize and implement any increase in salary/allowances/benefits without the approval of the Compensation Committee concerned. The following guidelines shall be observed by the Committees in their work:

a. The cost of living allowance directed by this Letter for national government employees may be authorized for employees of government owned or controlled corporations;

b. In lieu of the cost of living allowance and where corporate finances permit, the Compensation Committee may instead adopt measures for compensation increase that are consistent with and with and do not exceed the limits agreed upon for private enterprises in the 1980 Tri-Sectoral Meeting;

c. No increase in salary/allowances shall be authorized which will make the salary/allowance of a subordinate exceed that of his superior;

d. Any increase in basic salary/allowance of the top three (3) levels of corporate executives shall be subject to the approval of the President; and

e. The approved Salary/Wage Schedule and its Grades/Steps which are applicable to the Compensation Grouping of corporations shall be observed in the determination of salary/wage levels and increases.

4. The amount needed to implement this Letter with respect to national government agencies shall be charged to (a) the lump-sum appropriation for salary increase incorporated in the budgets of national government

agencies/offices and (b) salary lapses and other personal services savings of the ministry/bureau/office/agency concerned. Any deficiency shall be covered by the Salary Adjustment Fund authorized in the CY 1980 General Appropriations Act.

5. Payment of half of the living allowance herein directed shall be made effective February 1, 1980 and the other half, effective August 1, 1980.

6. The rules and regulations necessary to implement this Order shall be issued by the Minister of the Budget.

Done in the City of Manila, this 12th day of May, in the year of Our Lord, nineteen hundred and eighty.

(Sgd.) FERDINAND E. MARCOS

President of the Philippines

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