

ESTABLISHING THE RULES AND REGULATIONS OF THE FOREIGN SERVICE COMPENSATION DECREE OF 1978

EXECUTIVE ORDER NO. 495, January 13, 1978

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WHEREAS, a Foreign Service Compensation Plan was established by Presidential Decree No. 1285 in an attempt to rationalize the foreign service compensation plan of national government officials and employees;

WHEREAS, the said Decree directs the President to promulgate the necessary implementing rules and regulations upon recommendation of the Secretary of Foreign Affairs and the Commissioner of the Budget;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby promulgate the following rules and regulations:

Part I. Department of Foreign Affairs Officials and Employees

SECTION 1. Salaries at which Foreign Service Officers may be appointed. –

(a) A person appointed as a Foreign Service Officer of Class IV shall receive a salary at that one of the rates provided for that class, which the Secretary of Foreign Affairs shall, taking into consideration his age, qualifications and experience, determine to be appropriate. Until otherwise changed pursuant to the Foreign Service Compensation Decree, the rates established under P.D. No. 905 shall apply.

(b) A person appointed as Foreign Service Officer of Class II and III, inclusive, shall receive a salary at the minimum rate provided for the class to which he has been appointed.

SEC. 2. – Salaries at which Foreign Service staff officers and employees may be appointed. – A person appointed as a staff officer in Classes I through III or staff employee in Classes I through III, inclusive, shall receive salary at the minimum rate provided for the class to which he is appointed, except as otherwise provided in this Order.

SEC. 3. Salaries of alien clerks and employees. – The basic salary of an alien clerk or employee shall be fixed by the Secretary of Foreign Affairs in the currency of the country of assignment within the limits of available appropriations, giving weight to the rank and duties of the clerk or employee and the prevailing rates of salary at the post. For this purpose, the appointments to positions of alien clerks or employees who are already in the service prior to the approval of this Order shall be revised accordingly so that the annual basic rate shall be in currency of the country of assignment and in an amount that would not result in diminution in existing total take home pay.

SEC. 4. Compensation of Officers Temporarily In-Charge. –

(a) As Charge d' Affaires ad interim. – During the period that any Foreign Service Officer acts as charge d' affaires ad interim at the post to which he is assigned, he shall receive, subject to such rules and regulations as the Secretary may prescribe, the equivalent of the representation and other allowances of the chief of mission but shall not be given any increase in basic salary.

(b) As Officer-in-Charge of consulate general or consulate.- During the time that any Foreign Service Officer is

temporarily in charge of a consulate or consulate general because of the absence or incapacity of the principal officer, he shall receive, subject to such rules and regulations as the Secretary may prescribe, the equivalent of the representation and other allowances to which the principal officer would be entitled were he at his post.

SEC. 5. Classification of Positions in the Foreign Service. – Under such regulations as he may prescribe, the Secretary shall classify all positions in the service, including those positions at foreign posts which may be held by career ministers, and shall allocate all positions occupied or to be occupied by staff officers and employees to classes and grades established by R.A. No. 708, as amended, and by alien employees to such classes and grades as may be established by regulation: Provided, That in case the present incumbent receives a salary more than the amount fixed under this Order, there shall be no distinction in the compensation of such incumbent by providing excess of salary to him while he remains in the same position.

Part II – Allowance of Foreign Service Personnel

SEC. 6. Rates and Policies on Allowances. The President shall approve, upon recommendation of the Secretary of Foreign Affairs and the Commissioner of the Budget, rates, maximum allowable amounts and policies on allowances which shall be applicable to all national government employees stationed abroad pursuant to the Foreign Service Compensation Decree.

SEC. 7. Living Quarters Allowance. –

(a) Commutable living quarters allowances shall be granted to officers or employees in the service assigned abroad, who are citizens of the Philippines. Such allowances may cover the rental of quarters including utilities, telephone and other maintenance expenses, which may be revised as to amounts not oftener than once a year with the approval of the President.

(b) On transfer from post allowances shall cease at the end of the month, following departure therefrom. Commutable living quarters allowance shall be granted at a per annum rate and shall be commuted and paid monthly beginning on the first day of the month following the arrival of the payee at his post of assignment: Provided, however, that the suitability of the said quarters in each post shall be officially certified under oath by the chief of mission or principal officer: And Provided, further, that the equivalent of said allowances corresponding to the first three (3) months following arrival at post shall be paid immediately upon its accrual. On transfer from post, allowances shall cease at the end of the month following departure therefrom;

(c) No living quarters allowances shall be paid to persons occupying government-owned, furnished and rented quarters. No allowances shall be paid for quarters occupied free or under arrangements with other parties permitting direct or indirect gain to the claimant or his family;

(d) If a person entitled to living quarters allowance occupies quarters owned by him, his wife or children, he shall be entitled to a quarters allowance equal to fifty (50%) percent rental value of the quarters. The Chief of Mission or Principal Officer, as the case may be, jointly with the Administrative Officer shall certify under their official oaths the rental value on the face of the case voucher;

(e) In case of detail of the officer or employee from his post of assignment (detail to the Home Office excluded), the quarters allowance shall cease to accrue from the first of the month following the date of his departure unless it can be shown that the rented quarters, used as his residence, has been retained at the post of assignment and the rentals thereof are continued, but in no case shall the allowance continue beyond three months without the prior personal approval of the Department Head. If the officer or employee owns the quarters occupied by him, payment of the allowance shall cease immediately unless otherwise authorized by the Department Head.

(f) In case an officer or employee is on home leave, the allowance shall cease to accrue from the first of the month following the date of his departure from his post unless it can be shown that the rented quarters used as residence, has been retained at the post of assignment, but in no case shall the allowance continue beyond three months. This regulation shall apply also in cases where extended leaves of absence are employed in any other place necessitating departure from the post of assignment. If the officer or employee owns the house occupied by him, the allowance shall be discontinued.

SEC. 8. Overseas Allowance. – Overseas allowance shall be given to any officer or employee in the service assigned abroad, who is a citizen of the Philippines, whenever the following conditions exist, as determined by the Secretary of Foreign Affairs:

- (a) That the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee at such post to carry on this work efficiently;
- (b) That extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Foreign Service incident to the establishment of his residence at his post of assignment;
- (c) That an allowance is necessary to assist an officer or employee of the Foreign Service who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining assignment.

SEC. 9. Adjustments in the Overseas Allowances. – A Permanent Committee is hereby created, consisting of the Secretary of Foreign Affairs as Chairman and as members, the Commissioner of the Budget and the Governor of the Central Bank, with the objectives of compiling information on foreign currency exchange rate fluctuations and price levels abroad and of recommending periodic adjustments in the amount of overseas allowance to foreign service personnel of the national government in each foreign service post: Provided, That official United Nations price indices shall be specifically considered in the Committee's evaluation: Provided, Further, that adjustments shall be made not oftener than once a year: Provided, Finally, That implementation shall be subject to the availability of funds.

SEC. 10. Family Allowance. –

- (a) A commutable family allowance shall be granted to any officer or employee assigned abroad who is a citizen of the Philippines and who is living with his family at the post of assignment to a dependent spouse and to each unmarried legal minor dependent child but not exceeding three (3) in number. If both husband and wife are in the service and assigned in the same post, only one of them may claim the allowance.
- (b) No family allowance for spouse shall be payable if the claimant is a widower or widow or separated or when his/her spouse is gainfully employed. However, if claimant has minor unmarried dependent children to support, he shall be entitled to the family allowance for each child but not exceeding three (3) in number.
- (c) Unmarried children living with the officer or employee who are mentally and physically retarded regardless of age and who are incapable of supporting themselves shall, for family allowances purposes, be considered as minor children.
- (d) Subject to the prior approval of the Department Head, full family allowances may be paid to any claimant (i) who is compelled by reason of dangerous, notably unhealthful or excessively adverse living conditions, or by other unavoidable circumstances like lack of educational facilities for his children at his post of assignment which renders it inadvisable for any or all the members of his family to live with him at his post, or (ii) who, for the convenience of the Government, must live alone without any or all the members of his family at his post of

assignment. All other meritorious cases may be considered by the Department Head as the circumstances and the exigencies of the service may warrant.

SEC.11. Post Allowance. –

(a) An allotment of funds may be made by the Secretary of Foreign Affairs, to any post to defray the unusual expenses incident to the operation and maintenance of an official residence suitable for the chief diplomatic or consular representative of the Philippines at the post.

(b) Post allowances shall be granted at a per annum rate for fiscal years, beginning on the first day of the month, following arrival at post. On transfer from post, allowances shall cease on the first day of the month following departure therefrom. Post allowances shall be payable only when the officer is on duty status at his station. For the purpose of this allowance, such officer shall be deemed on duty status at his station:

(i) when on temporary duty even outside the city or place where he maintains regular office but remains within the territorial limits of his diplomatic or consular jurisdiction.

(ii) when on temporary duty outside his diplomatic or consular jurisdiction for a consecutive period not exceeding sixty (60) days during which he shall be paid the post allowance. Beyond sixty (60) days, no allowance shall be paid except as specifically approved by the President. Payment of the post allowance shall be resumed only on the date of the actual return within his diplomatic or consular jurisdiction.

(iii) when he is on leave of absence with full pay provided the leave is spent within the territorial jurisdiction of his post. No post allowance shall be paid if the officer goes on leave with pay outside the territorial jurisdiction of his post.

The territorial limits, in case of concurrent jurisdiction shall extend to all the countries or areas comprised in the concurrent office.

(c) No post allowance shall be paid if the officer lives in a hotel as his residence.

SEC. 12. Representative Allowance –

(a) Representation allowances may be granted to chiefs of mission, special envoys, ministers, permanent delegates or representatives of international bodies, principal officers, and other ranking diplomatic officers stationed abroad, in order to enable such officers to uphold the prestige of the Republic of the Philippines, to represent their country with dignity and distinction, and to carry out their functions more effectively.

(b) Representation allowances shall be expended only for purposes which are of a public character, beneficial to the interests of the public service, and connected with the exercise of the functions of the Government in relation to the conduct of foreign affairs. They may be expended for necessary entertainment, charitable contributions, memorials, flowers, gifts, club initiation fee and membership dues, and the like. The officer to whom the allowance is granted may disburse any portion of it to cover necessary entertainment by his subordinates to accomplish certain tasks assigned to them.

(c) Expenses charged to representation allowances must be supported by proper receipt or vouchers if the individual amount of expenditure exceeds fifty (\$50) United States dollars or its equivalent. Where expenses are incurred for entertainment, the voucher must be accomplished by a statement of the officer concerned or by such proof as may be shown that the expenses have been made in the public interest. The documents submitted shall be treated as confidential.

(d) Should special entertaining be necessary because of formal visits of Philippine dignitaries traveling on

diplomatic or special passports, the Department Head shall be informed in advance thereof and specific request for funds therefor be made. No such expenses shall be incurred without the prior authorization of the Department Head.

(e) Maximum allowable amounts shall be established for each category of representation allowance in accordance with SECTION 6 of this Order.

SEC. 13. Clothing Allowance – Clothing allowances may be granted to officers and employees of service assigned abroad who are citizen of the Philippines not oftener than once every twelve months in amounts not exceeding five hundred (\$500) United States dollars for chiefs of mission and principal officers, four hundred (\$400) United States dollars for foreign service officers and two hundred fifty (\$250) United States dollars for staff officers and employees.

SEC. 14. Education allowance – Education allowances may be granted to officers and employees assigned abroad who are citizens of the Philippines for their legal dependent children not exceeding three in number, who are enrolled in the primary and elementary. This grant shall not, however, be payable in respect of posts – (a) where free education is provided for and/or (b) where English is the medium of instruction.

The allowance may be granted as reimbursement of actual costs within such maximum amount as shall be fixed by the Secretary of Foreign Affairs and the Budget Commission, with the approval of the President, per school year for each child, subject to presentation of receipts and other evidences of payment of matriculation, tuition, books and other school fees.

SEC. 15. Medical Allowance. –

(a) Foreign service personnel may be required by the Department Secretary concerned, to subscribe to a medical insurance scheme available in the host country. Twenty-five percent (25%) of the corresponding premiums shall be payable by the personnel concerned and seventy-five percent (75%) thereof shall be borne by the government as its contribution.

(b) In the event of illness or injury requiring hospitalization of a foreign service personnel, not the result of vicious habits, intemperance or misconduct on his part, the government shall reimburse the cost of medical expenses in accordance with the regulation prescribed in paragraph (a) of this section, provided that no medical insurance scheme is available in the post of assignment.

(c) The medical expenses shall cover the cost of hospitalization and/or payment of the services of the attending physician, including travel expenses to and from the hospital or clinic and such other incidental expenses as may be incurred in connection with such hospitalization treatment but not to exceed the amount as fixed pursuant to Section 6 hereof. If the foreign service personnel is too ill to travel unattended, the travel expenses if the attendant shall also be paid by the Department.

(d) Only legal dependents of those mentioned in paragraph (a) hereof living with the officer or employee at the post shall be entitled to the medical allowance.

SEC. 16. Relocation Allowance –

(a) Any officer or employee of the service on assignment to or from a post shall be entitled to an allowance for packing, shipment by usual means of transportation, and unpacking at destination of furniture and other household and personal effects in such amounts and within such limitations as may be prescribed pursuant to Sec. 6 hereof.

(b) This allowance entitles the officer or employee to choose either or the following:

(i) Ship his household goods and personal effects to the authorized destination at the expense of the government in accordance with rules and regulations as the Secretary of Foreign Affairs and the Commissioner of the Budget may prescribe with the approval of the President, or

(ii) Receive the money value equivalent to 50% of the estimated cost of packing and shipping of the household goods and personal effects to the authorized destination as computed in no. (i) above.

Part III Assimilated Ranks

SEC. 17. Assignment of Assimilated Ranks. In accordance with Sec. 4 of P.D. No. 1285, the authority, to assign assimilated diplomatic ranks to agriculture, commercial, finance, revenue, labor, tourism, science and other civil attaches, and other personnel stationed abroad by other Departments, bureaus, or offices, shall remain with the President, who shall act on the basis of recommendations of the Secretary of Foreign Affairs and the Commissioner of the Budget.

Part IV. Final Provisions

SEC. 18. Supplementary Rules and Regulations. Supplementary rules and regulations as may be necessary to implement this Executive Order shall be adopted pursuant to Sec. 6 hereof.

SEC. 19. Availability of Funds. Implementation of rates of compensation, allowance and fringe benefits shall be subject to the availability of funds for the purpose and to specific approval of the President.

SEC. 20. Effectivity. This Executive Order shall take effect immediately.

Done in the City of Manila, this 13th day of January, in the year of Our Lord, nineteen hundred and seventy-eight.

(SGD.) FERDINAND E. MARCOS

President of the Philippines

By the President:

(SGD.) JACOBO C. CLAVE

Presidential Executive Assistant

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