NATIONAL ADMINISTRATIVE REGISTER · JANUARY 25, 1996

GUIDELINES FOR THE IMPLEMENTATION OF THE REVISED POSITION CLASSIFICATION AND COMPENSATION SYSTEM (PCCS) IN THE LOCAL GOVERNMENT

DBM LOCAL BUDGET CIRCULAR NO. 60, January 25, 1996

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1 PURPOSE

This Circular is being issued to prescribe rules and regulations to govern the third phase of implementation of the Revised PCCS in the Government as mandated under Executive Order No. 290 providing for the increase in the basic salaries as of December 31, 1995 of local government personnel effective January 1, 1996.

2 COVERAGE

All positions 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 local government units (LGUs).

3 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 others 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 contract (pakiao), those paid on piecework basis, including mail contractors, and others similarly situated.

3.4 Employees with transition allowances or those whose actual salary exceeds the maximum of the salary grade allocation of their position under the salary schedules herein authorized.

4 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, 1995 exclusive of Personnel Economic Relief Allowance (PERA), Additional Compensation, representation and transportation allowances, bonus and cash gift, honoraria, the 20% premium over the basic pay of contractual personnel 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.

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5 THE SALARY SCHEDULES

5.1 The salary rates are hereby adjusted as indicated in the Third Interim Salary Schedules (TISS) marked as Annexes "A" to "H"[*].

5.2 The TISS have been prepared in strict conformance with Section 10 of RA 6758. The salary rates brought about by the successive across the board increases resulted in salary rates which exceed those that are allowable under RA 6758. The excess rates shall be considered advance implementation of the 3rd phase of Salary Standardization II.

6 Compensation Rules

6.1 The salary grades in the salary schedule and the corresponding salary grade allocation of positions prescribed under RA 6758 shall be maintained.

6.2 Incumbents shall receive the salary rates corresponding to their designated salary steps in the salary grade allocation of their positions as of December 31, 1995 (Illustrative Example A)[*].

6.3 The devolved personnel and their organic local counterparts whose salaries are now equal/the same, shall be entitled to the same adjusted salary.

6.4 An employee with transition allowance or those whose actual salary as of December 31, 1995 exceeds the 8th step of the salary grade allocation of his position under the TISS shall continue to receive the same salary.

6.5 The salary rates of Public Health Workers (PHWs) notwithstanding the income classification of the local government units where they are assigned shall be as indicated in Annex "A" pursuant to RA 7305.

6.6 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 TISS.

6.7 Contractual employees whose salaries are paid out of lump sum appropriations or project funds may be entitled to a premium of not more than 20% of the adjusted minimum hiring rate of comparable regular positions.

6.8 The wage rates of daily paid employees shall be computed by dividing the monthly salary rate shown in the TISS indicated under Section 5.1 hereof, 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 salary rate.

6.9 Once implemented, the rates contained in the TISS referred to under Section 5.1 hereof shall be used as basis for computing retirement pay, year-end bonus and other similar benefits.

6.10 In the event that local funds will not be sufficient to implement the salary schedule prescribed for its income class, implementation of salary increases under this Circular shall be partial and proportionate for all positions in the local government unit concerned (Illustrative Example C)[*].

7 Adoption of Salary Schedule

7.1 LGUs lower than special cities and first class provinces and cities, may adopt the salary schedule for higher class LGUs subject to the conditions/limitations enumerated under Local Budget Circular (LBC) No. 56 dated January 25, 1995.

7.2 An LGU which has adopted a higher salary schedule under LBC 56 may opt to revert to the prescribed salary schedule based on its income classification provided, no personnel shall suffer diminution in pay as a result thereof.

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8 Prohibition

The Local Chief Executive/Sanggunian Panlalawigan/Panlungsod/Bayan are prohibited from granting any adjustment in excess of the amounts herein authorized.

9 Funding Source

9.1 The amount necessary for the implementation of the third phase of the revised compensation and position classification system shall come from the respective funds of the local government units.

9.2 Said amount shall be provided for in an appropriation ordinance to be enacted by the Sangguniang Panlalawigan/Panlungsod/Bayan.

10 Saving Clause

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

11 Effectivity

This Circular shall take effect January 1, 1996

Adopted: 25 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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