

AMENDING FURTHER JOINT CSC-DBM CIRCULAR NO. 1, S. 1990 (ENTITLEMENT TO STEP INCREMENT)

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Pursuant to Section 13(c) of Republic Act (RA) No. 6758 also known as the "Compensation and Position Classification Act of 1989 or Salary Standardization Law (SSL)", effective January 1, 1990, step increments shall be granted based on merit and/or length of service in accordance with rules and regulations that will be promulgated jointly by the Department of Budget and Management and Civil Service Commission.

The Civil Service Commission and Department of Budget and Management jointly promulgated CSC-DBM Circular No. 1, s. 1990, as amended by Joint CSC-DBM Circular No. 2, s. 1991, which provides, among others, that the grant of step increment based on length of service shall apply to all officials and employees who are appointed on a permanent status in the career and non-career service.

After the approval of SSL, several laws were passed exempting some agencies from the coverage thereof and authorizing them to develop and implement their own compensation systems that generally provide for superior compensation package compared to those provided under the SSL.

Since the said agencies are exempted from the SSL in terms of implementation of the compensation system established therein, their officials and employees are likewise exempted from the grant of step increment provided under Joint CSC-DBM Circular No. 1, s. 1990.

Further, Memorandum Order (MO) No. 20 dated June 25, 2001 of the Office of the President directs government-owned and/or — controlled corporations exempted from or not following the SSL to immediately suspend the grant of any salary increases and new or increased benefits such as, but not limited to, allowances, incentives, reimbursement expenses; intelligence, confidential or discretionary funds, extraordinary expenses, and such other benefits not in accordance with those granted in the SSL.

This Circular is therefore being issued to amend further Joint CSC-DBM Circular No. 1, s. 1990 to harmonize the existing policy on the grant of step increment based on length of service with the laws exempting some agencies from the SSL and with MO No. 20 and to address related issues and concerns, as follows:

SECTION 1. Section 1, Rule I of Joint CSC-DBM Circular No. 1, s. 1990, as amended, is hereby further amended to read as follows:

"Section 1. These rules and regulations shall apply to all officials and employees in the national and local governments, including those in state universities and colleges, and government-owned and/or -controlled corporations with original charters which are covered by or following RA No. 6756 who are appointed in the:

(a) career service under permanent status; and

(b) non-career service whose positions are found in the regular plantilla of the agency concerned.

SECTION 2. The following paragraph is hereby added to Rule I of the same Circular, which shall be known as Section 2:

"Section 2. Career and non-career officials and employees who are occupying positions that are specifically exempted from or not following RA No. 6758 are not entitled to the step increment authorized herein."

SECTION 3. Sub-paragraph (c) is hereby added to Section 2, Rule III of the said Circular and shall read as follows:

"Section 2. Length of Service. — A one step increment shall be granted to officials and employees for every three (3) years of continuous satisfactory service in the position and shall include:

xxx xxx xxx

(c) those rendered by incumbents appointed to a career position on a temporary or provisional status who have been subsequently appointed to the same career position on a permanent status."

SECTION 4. All circulars, rules and regulations, which are inconsistent with this Circular are hereby repealed, amended, or superseded accordingly.

SECTION 5. These amended rules shall take effect immediately.

Adopted: 11 April 2003

(SGD.) EMILIA T. BONCODIN

Secretary

Department of Budget and Management

(SGD.) KARINA CONSTANTINO-DAVID

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Civil Service Commission

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