

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

LOCAL BUDGET CIRCULAR NO. 64, January 22, 1997

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1.0

Purpose

This Circular is being issued to prescribe rules and regulations to govern the final phase Of implementation of the revised PCCS in the local government under Senate-House of Representatives Joint Resolution No. 01, Series of 1994 and adopted under Executive Order (EO) No. 389, dated December 28, 1996.

2.0

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).

3.0

Exemptions

3.1 Consultants and experts hired by local government units 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.

4.0

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, 1996 for purposes of the adjustment effective January 1, 1997 and as of October 31, 1997 for purposes of the adjustment effective November 1, 1997, inclusive of transition allowance, but exclusive of Personnel Economic Relief Allowance (PERA), Additional Compensation (ADCOM), representation and transportation allowances (RATA), year-end 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 eighth step of the salary grade

allocation of the employee's position

5.0

The Salary Schedules

5.1 The salary rates are hereby adjusted as indicated in the following salary schedules:

5.1.1 Effective January 1, 1997 — in accordance with the Fourth Interim Salary Schedules hereto attached and marked as Annexes A-1 to A-8*

5.1.2 Effective November 1, 1997 — in accordance with the attached Salary Schedules marked as Annexes B-1 to B-8**.

5.2 In accordance with Sec 8 of E O 389, flexibility is given each LGU to set its own schedule for the implementation of the final phase of salary increases authorized herein depending on its financial capability.

5.2.1 Where the pertinent salary schedule under Annex "B" is implemented earlier than November 1, 1997, the difference between the salary rates therein and those under Annex "A" shall be subject to the Personal Services limitation under Section 325 (a) of RA 7160.

5.3 The attached Salary Schedules have been prepared in strict conformance with Section 10 of R.A. 6758. The successive across the-board increases under LBC Nos. 54 and 56 resulted in salary rates exceeding those allowable under R.A. 6758. These excess rates are considered advance salary adjustments.

6.0

Compensation Rules

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

6.2 Incumbents of positions shall receive the salary rates corresponding to their designated salary steps in the salary grade allocation of their positions as of December 31, 1996 for purposes of the adjustment effective January 1, 1997 and as of October 31, 1997 for purposes of the adjustment effective November 1, 1997 (Illustrative Example A)*.

6.3 Appointments made after the implementation of herein salary adjustment shall be at the first step of the salary grade allocation of the position in the applicable Salary Schedule prescribed in item 5.1 hereof and subject further to compensation rules and regulations in Annex "C"*** of this Circular.

6.4 Devolved personnel whose salaries are now equal/the same with their organic local counterparts, shall be entitled to the same adjusted salary as their counterpart organic local personnel.

6.5 Pursuant to R.A. 7305, 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-I and Annex B-I.

6.6 The transition allowance shall be considered as advance payment for the salary increase herein authorized. Any excess thereafter shall be deducted from whatever salary adjustments that such employee may be authorized in the future (Illustrative Examples B and B-1)*.

6.7 The PERA and ADCOM shall continue to be paid as allowances and are not considered integrated into the basic salary rates contained in the Salary Schedules referred to in Items 5.1.1 and 5.1.2 hereof.

6.8 Contractual employees whose salaries are paid out of lump-sum appropriations or project funds may be entitled to a premium of not more than twenty percent (20%) of the adjusted minimum hiring rate of comparable regular positions. (Illustrative Example C)*.

6.9 The wage rates of daily paid employees shall be computed by dividing the monthly salary rate shown in the attached Salary Schedules 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.

6.10 Once implemented, the rates contained in the herein Salary Schedules plus transition allowance in the case of employees with transition allowance, shall be used as basis for computing retirement pay, year-end bonus and other similar benefits, provide that for those who will be compulsorily separated from the government service for having reached the age of mandatory retirement, or due to death, sickness/disability in 1997 but before the full implementation effective November 1, 1997, the computation of their retirement/separation benefits gratuity and payment of accumulated leave credits shall be made on the basis of the salary rate in the pertinent Salary Schedule in Annex B-1 to B-8 hereof corresponding to their previous designated salary step plus the remaining balance of their transition allowance if any.

6.11 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 D)*.

6.12 In case of separation on account of compulsory retirement, the employee shall be given the option to retire pursuant to R. A. No. 660 but the retiring employee shall still be paid by his last employer the difference between the lump-sum amount he will receive under R.A. No. 660 and the retirement benefit had he retired under R.A. 1616, provided that an employee who will opt to be compulsorily retired pursuant to R.A. No. 1616 shall be paid only the retirement benefits provided under R.A. No. 1616.

7.0

The maximum honoraria rates prescribed under LBC No 63 for the barangay officials and employees are accordingly adjusted based on the salary schedules herein authorized.

8.0

Adoption of Salary Schedule

8.1 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 LBC No. 56 dated January 25, 1995.

8.2 An LGU which has adopted a higher salary schedule as authorized 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.

9.0

Prohibition

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

10.0

Funding Source

10.1 The amount necessary for the implementation of the final phase of the revised PCCS shall come from the respective funds of the local government units.

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

11.0

Saving Clause

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

12.0

Effectivity

This Circular shall take effect January 1, 1997.

Adopted 22 Jan, 1997

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

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