

[LETTER OF INSTRUCTIONS NO. 841, March 31, 1979]

DIRECTING THE STUDY OF COMPENSATION IN GOVERNMENT OWNED OR CONTROLLED CORPORATIONS

TO: The Heads of Government Owned or Controlled Corporations
The Minister of the Budget

Whereas, the salaries of personnel in agencies of the national government, including state colleges and universities, have been increased in the light of anticipated increases in the cost of living occasioned by the international energy crisis;

Whereas, the existing compensation levels of government owned or controlled corporations are, in general, higher than those of national government agencies;

Whereas, the Constitution directs the adoption of a uniform salary structure for all components of the Government;

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

1. The Compensation Committees created pursuant to P.D. No. 985 shall immediately convene and submit their recommendations to the President, on adjustments in salary, allowances and fringe benefits as may be called for by present economic conditions. Their recommendations shall be guided by the following policies:
 - a. The compensation level in government owned or controlled corporations, including allowances, fringe benefits and other form of compensation shall not exceed those of the average of a scientific sample of comparable private sector companies;
 - b. Compensation levels in government owned or controlled, corporations that are not profitable or which require substantial government subsidy in their operations shall follow the national compensation and position classification plan;
 - c. Adjustments shall be effective no earlier than May 1, 1979.
2. The Philippine Deposit Insurance Corporation shall be classified among the financial institutions and the Philippine Tourism Authority among the infrastructure/utilities institutions for purposes of the corporate compensation plans, effective on January 1, 1979.
3. Salaries in corporations adhering to the national compensation and classification plans and positions in corporations covered by the said plans shall be adjusted effective May 1, 1979 in accordance with the provisions of Letter of Implementation No. 82, 83 or 84 subject to confirmation by the Minister of the Budget.
4. Except as provided in no. 3 of this Letter, no increase in basic salary, allowances, or fringe benefits shall be made by government owned or controlled corporations pending the submission and approval of the Compensation Committee recommendations directed in item 1.