

[EXECUTIVE ORDER NO. 203, March 22, 2016]

ADOPTING A COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) AND A GENERAL INDEX OF OCCUPATIONAL SERVICES (IOS) FOR THE GOCC SECTOR COVERED BY REPUBLIC ACT NO. 10149 AND FOR OTHER PURPOSES.

WHEREAS, Presidential Decree No. 1597 (s.1978) required all agencies in the Executive Branch, including all GOCCs, both Chartered and Non-chartered, to observe such guidelines and policies as may be issued by the President governing compensation and position classification systems;

WHEREAS, Section 5, Article IX-B of the 1987 Constitution mandates that "Congress shall provide for the standardization of compensation of government officials and employees, including those in government-owned or -controlled corporations with original charters, taking into account the nature of the responsibilities pertaining to, and the qualifications required for their positions;"

WHEREAS, Joint Resolution No. 4, (s. 2009) of the Senate and the House of Representatives authorized the President to modify the existing CPCS of civilian personnel in the government, which includes all GOCCs, both Chartered and Non-chartered, and reiterated the continuing applicability and enforceability of P D No 1597;

WHEREAS, under Republic Act (R.A.) No. 10149, or the GOCC Governance Act of 2011, the Governance Commission for Government-Owned or -Controlled Corporations (GCG), as the central advisory, monitoring, and oversight body with authority to formulate, implement and coordinate policies to govern GOCCs has been mandated to:

- a. Classify GOCCs as may be necessary to guide it in exercising its powers and functions;
- b. Conduct compensation studies, develop and recommend to the President a competitive compensation and remuneration system which shall attract and retain talent, at the same time allowing the GOCC to be financially sound and sustainable; and
- c. Develop a CPCS which shall apply to all officers and employees of GOCCs whether under the Salary Standardization Law or exempt therefrom, and shall consist of classes of positions grouped into such categories as the GCG may determine, subject to approval of the President;

WHEREAS, Section 9 of R.A. No. 10149 provides that, any law to the contrary notwithstanding, no GOCC shall be exempt from the coverage of the CPCS developed by the GCG under said Act; and

WHEREAS, the GCG, after having conducted the requisite compensation studies,