

[EXECUTIVE ORDER NO. 503, January 22, 1992]

**PROVIDING FOR THE RULES AND REGULATIONS IMPLEMENTING
THE TRANSFER OF PERSONNEL AND ASSETS, LIABILITIES AND
RECORDS OF NATIONAL GOVERNMENT AGENCIES WHOSE
FUNCTIONS ARE TO BE DEVOLVED TO THE LOCAL GOVERNMENT
UNITS AND FOR OTHER RELATED PURPOSES**

WHEREAS, Republic Act No. 7160, otherwise known as the Local Government, Code of 1991, hereinafter referred to as the Code, transfers the responsibility for the delivery of basic services and facilities from the national government agencies (NGAs) concerned to the local government units (LGUs);

WHEREAS, the Code stipulate that the transfer of basic services and facilities shall be accompanied by the transfer of the national personnel concerned and assets to ensure continuity in the delivery of such services and facilities;

WHEREAS, responsive rules and regulations are needed to affect the required transfer of national personnel concerned and assets to the LGUs;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law and the sovereign will of the Filipino people and upon the recommendation of the Oversight Committee of the Code, do hereby order:

Section 1. Transfer of Assets and Personnel. The personnel and assets including pertinent records and equipment, corresponding to the devolved service delivery functions enumerated under Section 17 of the Code, shall be transferred to the LGUs.

Sec. 2 Principle and Policies Governing Transfer of Personnel

a. Coverage, Tenure, Compensation and Career Development.

Technical and administrative personnel of the NGAs affected by the devolution of powers, functions, and responsibilities shall be transferred to the LGUs.

2. The absorption of the NGA personnel by the LGU shall be mandatory; in which case, the LGUs shall create the equivalent positions of the affected personnel except when it is not administratively viable.

Absorption is not administratively viable when there is duplication of functions unless the LGU opts to absorb the personnel concerned.

4. The national personnel who are not absorbed by the LGUs under no. 3 above, shall be retained by the NGA concerned, subject to civil service

law, rules and regulations.

5. There shall be no involuntary separation, termination, or lay-off of permanent personnel of the NGAs affected by devolution.
 6. Devolved permanent personnel shall enjoy security of tenure.
 7. Any reorganization that will be implemented by the LGUs after the devolution of functions shall be governed by the provisions of Republic Act No. 6656.
 8. Incumbents of positions, namely administrator, legal officer, and information officer declared by the Code as coterminous, who hold permanent appointments, shall continue to enjoy their permanent status until they vacate their positions.
 9. Casual, emergency, or daily-wage personnel assigned in the field units of the NGAs affected by devolution who are performing duties and responsibilities relative to the delivery of basic services may be absorbed by the LGU5 concerned.
 10. Contractual personnel of the NGAs concerned directly involved in the implementation of pilot projects in the LGUs need not be devolved.
 11. Temporary personnel shall be absorbed by the LGUs, subject to civil service law, rules and regulations.
 12. Except as herein otherwise provided, devolved permanent personnel shall be automatically reappointed by the local chief executive concerned immediately upon their transfer which shall not go beyond June 30, 1992.
 13. The rank or tenure of devolved permanent personnel shall not be reduced or impaired.
 14. There shall be no diminution in pay or devolved of devolved personnel.
- b. Criteria for Deployment. - Subject to the provisions of this Section, devolved personnel shall be deployed to the LGUs in accordance with the following criteria:
1. Personnel performing city or municipality-specific functions shall be absorbed by the city, or municipality where they are assigned.
 2. Personnel performing inter-municipal functions shall be absorbed by the province wherein the municipalities concerned are located.
 3. Regional personnel undertaking LGU-specific functions may be absorbed by the LGU concerned.
 4. Regional personnel performing primarily regional functions shall be retained by the NGAs concerned to form part of their field units to be established as a result of the phase-out of their regional offices, on or before October 10, 1992, for purposes of monitoring and coordinating the devolved basic services and providing technical assistance to the LGUs.
- c. Retention of Personnel by the NGA. - Regional directors who are Career Executive Service Officers, and other officers of similar rank, shall be retained by the NGA without diminution of rank, salary, or tenure.
- d. Vacant Positions in the NGAs. - Existing vacant in the NGAs, whose functions are to be devolved to the LGUs, shall be transferred to the LGUs concerned on January 1, 1992. In the event of duplication of functions, however, the corresponding budget allocated to the salaries of existing vacant positions may be realigned by the LGUs concerned to fund programs, projects and activities in the sector where the fund originated.
- e. Exemptions from Rules on Nepotism, Residency, and Election Ban.