

**[DBM NATIONAL COMPENSATION CIRCULAR NO.
72, March 09, 1994]**

**GUIDELINES FOR THE INITIAL IMPLEMENTATION OF THE
REVISED COMPENSATION AND POSITION CLASSIFICATION
SYSTEM**

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Purpose

This Circular is being issued to prescribe rules and regulations to govern the initial implementation of the Revised Compensation and Position Classification System as mandated under Executive Order No. 164, providing for the increase in basic salaries effective January 1, 1994 as follows:

- 1.1 for Salary Grades 1 to 10, Eight Hundred Pesos (P800.00) per month; and
- 1.2 for Salary Grade 11 upwards, Seven Hundred Pesos (P700.00) per month.

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Coverage

All position 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 national government, state universities and colleges and government-owned and/or controlled corporations and financial institutions.

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Exemptions

- 3.1 Consultants and experts hired by government entities 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 other 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 job contract (pakiao), those paid on piecework basis, including mail contractors, and others similarly situated.

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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, 1993, exclusive of Personnel Economic Relief Allowance (PERA), Additional Compensation, representation and transportation allowances, bonus and cash-gift, honorarium and any other form of additional compensation.

4.2 Transition allowance shall mean the excess of the present salary over the eight step of the grade allocation of the employee's position.

4.3 "Over-and-above allowance" shall refer to the additional compensation other than the basic salary regularly paid on a monthly basis by the LGUs to public school teachers prior to July 1, 1989, and which was added over and above their basic salary.

5 Compensation Rules

5.1 For Civilian Personnel:

5.1.1 In the initial implementation of the revised Compensation and Position Classification System, the salary grades and corresponding salary grade allocation in the salary schedule prescribed under RA 6758 shall be maintained. However, the salary rates are hereby adjusted effective January 1, 1994 pursuant to Section 2 of EO No. 164, as indicated in the following Interim Salary Schedule: *

5.1.2 Incumbents shall receive the salary rates corresponding to their designated salary steps in the salary grade allocation of their positions as of December 31, 1993. Likewise, incumbents of positions which were moved to a higher salary grade allocation under Joint Senate and House Resolution No. 1, s. 1994 as adopted under EO No. 164, shall receive the salary rate of their salary grade allocation as of December 31, 1993.

5.1.3 Incumbents with transition allowance and/or "over-and-above allowance" shall likewise be entitled to the salary adjustments authorized herein. The excess of their adjusted salary over the prescribed salary rates shall be treated as advance implementation of the Salary Schedule contained under Joint Senate and House Resolution No. 1, s. 1994 as adopted by EO No. 164 (Illustrative Example A. *)

5.1.4 Appointments effective January 1, 1994 and thereafter shall be at the first step of the salary grade allocation of the position prescribed under Section 5.1.1 hereof. In case the appointee has previously received under an approved permanent appointment, a salary higher than the first step of the salary grade allocation, the existing salary rules shall apply.

5.1.5 The Personnel Economic Relief Allowance and Additional Compensation shall continue to be paid as allowances and are not considered integrated into the basic salary rates contained in the Interim Salary Schedule.

5.1.6 Contractual employees whose salaries are paid out of lump sum appropriations or project funds may be entitled to not more than 120% of the adjusted minimum hiring rate of comparable regular positions (Illustrative Example B *).