

**[DBM LOCAL BUDGET CIRCULAR NO. 54, March
09, 1994]**

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

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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 in the local government as mandated under Executive Order No. 164, providing for the increase in basic salaries of civilian personnel 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 Grades 11 upwards Seven Hundred Pesos (P700.00) per month.

2

Coverage

All positions whether permanent, temporary, contractual, casual or emergency in nature, appointive or elective on full-or part-time basis now existing or hereafter created.

3

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 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 job contract (pakiao), those paid on piecework, basis, including mail contractors, and others similarly situated.

4

Definitions 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.

5 Compensation Rules

5.1 Effective January 1, 1994, as an initial implementation of the Revised Compensation and Position Classification System, the rates in the salary schedules under Joint Commission Circular No. 36 are hereby amended as indicated in Annexes "A" to "H"* pursuant to Executive Order No. 164, and which are hereinafter referred to as Interim Salary Schedules.

5.2 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.

5.3 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 as contained under Joint Senate and House Resolution No. 1, s. 1994 as adopted by EO No. 164.

5.4 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 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.

5.5 The salary adjustment herein authorized as well as the subsequent salary increases shall not apply to the devolved, national personnel until the salary rates of their local counterparts have equalled their salary rates.

5.6 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 above salary schedule.

5.7 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).*

5.8 The Wage Rates of daily paid employee shall be computed by dividing the monthly salary rate shown in the Interim Salary Schedules indicated under Section 5.1 hereof by twenty-two (22) working days, provided that the total wages received a daily paid employee in a month shall not exceed said monthly salary rate.

5.9 The rates contained in the Interim Salary Schedules referred to under Section 5.1 hereof shall be used for computing retirement pay, year-end bonus and other