

**[ DBM JOINT CIVIL SERVICE COMMISSION-  
DEPARTMENT OF BUDGET AND MANAGEMENT  
CIRCULAR NO. 1-2003, April 11, 2003 ]**

**AMENDING FURTHER JOINT CSC-DBM CIRCULAR NO. 1, S. 1990  
(ENTITLEMENT TO STEP INCREMENT)**

Pursuant to Section 13(c) of Republic Act (RA) No. 6758 also known as the "Compensation and Position Classification Act of 1989 or Salary Standardization Law (SSL)", effective January 1, 1990, step increments shall be granted based on merit and/or length of service in accordance with rules and regulations that will be promulgated jointly by the Department of Budget and Management and Civil Service Commission.

The Civil Service Commission and Department of Budget and Management jointly promulgated CSC-DBM Circular No. 1, s. 1990, as amended by Joint CSC-DBM Circular No. 2, s. 1991, which provides, among others, that the grant of step increment based on length of service shall apply to all officials and employees who are appointed on a permanent status in the career and non-career service.

After the approval of SSL, several laws were passed exempting some agencies from the coverage thereof and authorizing them to develop and implement their own compensation systems that generally provide for superior compensation package compared to those provided under the SSL.

Since the said agencies are exempted from the SSL in terms of implementation of the compensation system established therein, their officials and employees are likewise exempted from the grant of step increment provided under Joint CSC-DBM Circular No. 1, s. 1990.

Further, Memorandum Order (MO) No. 20 dated June 25, 2001 of the Office of the President directs government-owned and/or — controlled corporations exempted from or not following the SSL to immediately suspend the grant of any salary increases and new or increased benefits such as, but not limited to, allowances, incentives, reimbursement expenses; intelligence, confidential or discretionary funds, extraordinary expenses, and such other benefits not in accordance with those granted in the SSL.

This Circular is therefore being issued to amend further Joint CSC-DBM Circular No. 1, s. 1990 to harmonize the existing policy on the grant of step increment based on length of service with the laws exempting some agencies from the SSL and with MO No. 20 and to address related issues and concerns, as follows:

*SECTION 1.* Section 1, Rule I of Joint CSC-DBM Circular No. 1, s. 1990, as amended, is hereby further amended to read as follows:

*"Section 1. These rules and regulations shall apply to all officials and employees in the national and local governments,*