

**[ DBM CIRCULAR LETTER NO. 2000-11, June 01, 2000 ]**

**COMPENSATION OF CONTRACTUAL PERSONNEL AND  
INDIVIDUAL PROFESSIONAL CONSULTANTS**

1. Under Joint CSC-DBM Circular No. 99-7 dated December 29, 1999 contractual personnel refer to those who are hired in accordance with a specified contract for a specified period and with a definite expected output and are employed to undertake a particular work or project, and whose hiring creates an employee-employer relationship between them and the hiring agency.
2. Starting January 1, 2000 contractual personnel shall be paid compensation of an equivalent position as determined by the Department of Budget and Management, but not to exceed the salary of the position. Under existing laws, rules and regulations they shall also be entitled to allowances and other benefits authorized for regular employees which are chargeable against Personal Services.
3. On the other hand, under Section 81 of the General Provisions of RA 8760 or the FY 2000 General Appropriations Act, individual professional consultants refer to those experts in a field of special knowledge or training who is contracted through service contracts to render particular outputs or services primarily advisory in nature requiring highly specialized or technical expertise which cannot be provided by the regular staff of the agency. Such hiring creates no employer-employee relationship between the individual professional consultants and the agency.
4. Pending the issuance of the guidelines governing the compensation of professional consultancy services, these individual professional consultants shall be paid remuneration of not more than 120% of the minimum basic salary of his equivalent position in the agency based on the allocation list duly approved by the Department of Budget and Management pursuant to National Budget Circular No. 433 dated March 1, 1994.
5. The remuneration of these individual professional consultants shall be inclusive of all benefits accruing for the services rendered. Thus, they are not entitled to any other benefits otherwise accruing to regular personnel of the government.
6. Under existing laws, rules and regulations the remuneration of individual professional consultants shall be chargeable against Maintenance and Other Operating Expenses.
7. While the services of both the contractual personnel and the individual professional consultants are hired in accordance with a specific contract for a specific period and with a definite expected output, they differ from one another in terms of the nature of services rendered, the kind of working relationship with the agency and the funding source of their compensation.