

[DBM CORPORATE COMPENSATION CIRCULAR NO. 10, February 15, 1999]

RULES AND REGULATIONS FOR THE IMPLEMENTATION OF THE REVISED COMPENSATION AND POSITION CLASSIFICATION SYSTEM PRESCRIBED UNDER R.A. NO. 6758 FOR GOVERNMENT- OWNED AND/OR CONTROLLED CORPORATIONS (GOCCS) AND FINANCIAL INSTITUTIONS (GFIS)

1.0 Purpose

This Circular is being issued in compliance with Section 23 of R.A. No. 6758, entitled, "An Act Prescribing A Revised Compensation and Position Classification System In The Government and For Other Purposes", mandating the Department of Budget and Management (DBM) to prepare and issue the necessary guidelines to implement the mandate of said law within sixty (60) days after its approval.

2.0 Coverage

The Compensation and Position Classification System referred to herein shall apply to all positions, whether permanent, casual, temporary, contractual, on full or part-time basis, now existing or hereafter created in GOCCs/GFIs whether they perform governmental or proprietary functions.

3.0 Exemptions

3.1 Positions in corporations created under the General Corporation Law, those acquired through foreclosures, and those not covered by the civil service law but by the labor law; and

3.2 Student laborers, apprentices and other similar positions.

4.0 Definition Of Terms

4.1 The present salary of an incumbent for purposes of this Circular shall refer to the sum total of actual basic salary including allowances enumerated hereunder, being received as of June 30, 1989 and authorized pursuant to P.D. No. 985 and other legislative or administrative issuances:

4.1.1 Cost-of-Living Allowance/Bank Equity Pay (COLA/BEP) equivalent to forty percent (40%) of basic salary or P300.00 per month, whichever is higher;

4.1.2 Amelioration Allowance equivalent to ten percent (10%) of basic salary or P150.00 per month, whichever is higher;

4.1.3 COLA granted to GOCCs/GFIs covered by the Compensation and Position Classification Plan for the regular agencies/offices of the National Government and to GOCCs/GFIs following the Compensation and Position Classification Plan under LOImp. No. 104/CCC No. 1 and LOImp. No. 97/CCC No. 2, in the amount of P550.00 per month for those whose monthly basic salary is P1,500 and below, and P500 for those whose monthly basic salary is P1,501 and above, granted on top of the COLA/BEP mentioned in Item 4.1.1 above;

4.1.4 Stabilization Allowance; and

4.1.5 Allowances/fringe benefits converted into "Transition Allowance" pursuant to Memorandum Order No. 177, as implemented by Corporate Budget Circular No. 15, both series of 1988.

4.2 Allowances enumerated above are deemed integrated into the basic salary for the position effective July 1, 1989.

4.3 Transition Allowance for purposes of this Circular, shall mean the excess of the present salary of the incumbent as defined in item 4.1 above, over the eighth step of the Salary Grade to which his position is allocated.

5.0 Implementing Procedures

5.1 All existing positions and those that thereafter will be created in GOCCs/GFIs shall be allocated to the appropriate classes on the basis of the nature of duties and responsibilities and qualification requirements of the position and in accordance with the herein prescribed Index of Occupational Services (IOS), marked as Annex A* which forms as an integral part of this Circular.

5.2 In cases where there are no appropriate classes in the herein prescribed IOS suitable for the operational needs and/or to the established management policy of the GOCCs/GFIs consistent with their corporate programs/plans, creation of new classes unique and appropriate to their operations shall be allowed and included in the same IOS.

5.3 The salary grade allocation for the position of heads of GOCCs/GFIs shall be determined by applying the following factors:

5.3.1 Mandated functions whether policy formulation, program monitoring/coordination, program planning/implementation and/or administrative support services.

5.3.2 Volume of business/area covered/scope of operation.

5.3.3 Total of government equity actually granted/authorized capitalization, networth, and assets.

In no case shall the salary grade allocation for the position of Chairman, President, General Manager or Administrator and members of the Board of Directors of GOCCs/GFIs exceed Salary Grade 30; Provided, however, that the President of the Philippines may, in truly exceptional cases, approve higher compensation for the aforesaid officials.

5.4 The following allowances/fringe benefits which were authorized to GOCCs/GFIs under the standardized Position Classification and Compensation Plan prescribed for each of the five (5) sectoral groupings of GOCCs/GFIs pursuant to P.D. NO. 985, as amended by P.D. NO. 1597, the Compensation Standardization Law in operation prior to R.A. NO. 6758, and to other related issuances are not to be integrated into the basic salary and allowed to be continued after June 30, 1989 only to incumbents of positions who are authorized and actually receiving such allowances/benefits as of said date, at the same terms and conditions provided in said issuances.

5.4.1 Representation and Transportation Allowances (RATA)

5.4.2 Uniform and Clothing Allowance;

5.4.3 Hazard Pay as authorized by law;

5.4.4 Honoraria/additional compensation for employees on detail with special projects or inter-agency undertakings;

5.4.5 Honoraria for services rendered by researchers, experts and specialists who are of acknowledged authorities in their fields of specialization;

5.4.6 Honoraria for lecturers and resource persons/speakers;

5.4.7 Overtime Pay as authorized by law;

5.4.8 Laundry and subsistence allowances of marine officers and crew, on board GOCCs/GFIs owned vessels and used in their operations, and of hospital personnel who attend directly to patients and who by nature of their duties are required to wear uniforms;

5.4.9 Quarters Allowance of officials and employees who are entitled to the same;

5.4.10 Overseas, Living Quarters and other allowances presently authorized for personnel stationed abroad;

5.4.11 Night Differential of personnel on night duty;

5.4.12 Per Diems of members of the governing Boards of GOCCs/GFIs at the rate as prescribed in their respective Charters;

5.4.13 Flying Pay of personnel undertaking aerial flights;

5.4.14 Per Diems/Allowances of Chairman and Members/Staff of collegial bodies and Committees; and

5.4.15 Per Diems/Allowances of officials and employees on official foreign and local travel outside of their official station.

5.5 The following allowances/fringe benefits authorized to GOCCs/GFIs pursuant to the aforementioned issuances are not likewise to be integrated into the basic salary and allowed to be continued only for incumbents of positions as of June 30, 1989

who are authorized and actually receiving said allowances/benefits as of said date, at the same terms and conditions prescribed in said issuances

5.5.1 Rice Subsidy;

5.5.2 Sugar Subsidy;

5.5.3 Death Benefits other than those granted by the GSIS;

5.5.4 Medical/dental/optical allowances/benefits;

5.5.5 Children's Allowance;

5.5.6 Special Duty Pay/Allowance;

5.5.7 Meal Subsidy;

5.5.8 Longevity Pay; and

5.5.9 Teller's Allowance.

5.6 Payment of other allowances/fringe benefits and all other forms of compensation granted on top of basic salary, whether in cash or in kind, not mentioned in Sub-Paragraphs 5.4 and 5.5 above shall continue to be not authorized. Payment made for such unauthorized allowances/fringe benefits shall be considered as illegal disbursement of public funds.

5.7 To insure consistency of application of the classification and salary grade allocation system herein prescribed among positions in GOCCs/GFIS, the DBM through its Compensation and Position Classification Bureau (CPCB), shall first assign classes under the classification plan previously authorized the GOCCs/GFIs to the new classes in the prescribed IOS.

5.8 The GOCCs/GFIs concerned shall, upon receipt of the prescribed IOS, prepare the corresponding Position Allocation List (PAL) following the attached format marked as Annex B and submit same to DBM through CPCB for evaluation and approval.

5.9 GOCCs/GFIs shall prepare five (5) copies of a Plantilla of Positions in accordance with the organization structure/staffing pattern previously approved for them by the DBM following the attached format marked as Annex C* and submit same to DBM through CPCB within thirty (30) days from receipt of the duly approved PAL. The CPCB shall certify and approve same in accordance with the condition stipulated in Item 5.7 above.

Any GOCC/GFI presently adopting an organization structure/staffing pattern other than the one approved by the DBM shall likewise submit a Plantilla of Positions based on existing organization structure/staffing pattern which will likewise be evaluated and approved by the DBM simultaneous with the evaluation and certification/approval of the position classification and salary grade/rate allocation.

Within thirty (30) days from receipt of the Plantilla of Positions from GOCCs/GFIs,