

Republika ng Filipinas  
(Republic of the Philippines)  
MINISTRI NG EDUKASYON AT KULTURA  
(MINISTRY OF EDUCATION AND CULTURE)  
Maynila

February 15, 1982

MEC M E M O R A N D U M  
No. 46, s. 1982

COST OF LIVING ALLOWANCES UNDER RA 5447 TERMINATED  
AS OF DECEMBER 31, 1978

To: Bureau Directors  
Cultural Agency Directors  
Chiefs of Services and Heads of Units  
Schools Superintendents  
Presidents, State Colleges and Universities  
Vocational School Superintendents/Administrators

1. Inclosed is a copy of a letter of the Acting Minister of the Budget dated October 5, 1981 to the effect that authorizations granted to government employees to receive cost of living allowance, including allowances granted under RA 5447 were terminated as of December 31, 1978 and only the cost of living allowance provided under LOImp No. 116 as implemented by NBC No. 329 s. 1980 at P100 each per month is allowed, unless expressly provided for under subsequent law.

2. This Office will take action, in the meanwhile, to obtain a Cabinet or Executive Committee decision on the matter, in the light of an apparently different position of the Commission on Audit.

3. It is desired that this Memorandum be brought to the attention of all officials, teachers and employees for their information and guidance.

(SGD.) ONCFRE D. CORPUZ  
Minister

Incl.: As stated

Reference:  
BPS Circulars No. 7, s. 1969

Allotment: 1-2-3---(D.O. 1-76)

To be indicated in the Perpetual Index  
under the following subjects

ALLOWANCE  
BUREAUS & OFFICES  
EMPLOYEES  
LEGISLATION  
OFFICIALS  
RULES & REGULATIONS  
TEACHERS

(Inclosure to MEC Memorandum No. 46, s. 1982)

OFFICE OF COMPENSATION AND POSITION CLASSIFICATION  
Baex Bldg., Elliptical Road  
Diliman, Quezon City

October 5, 1981

The Honorable Minister  
Ministry of Education and Culture  
M a n i l a

S i r :

This refers to the attached requests of the Schools Division Superintendents of Pasay City and Calocan City, MEC-NCR; for clarification on the status of living allowance of teachers paid by Local School Boards per RA 5447 in relation to LOImp No. 116 as implemented by NBC No. 329 dated May 13, 1980.

It is represented that the School Boards in the aforesaid school divisions have been paying their teachers cost of living allowances ranging from 5 to 50% of their annual salary in accordance with the provisions of Republic Acts Nos. 4670 (The Magna Carta for Public School Teachers) and 5447 (Special Education Fund Act), in addition to the P100 monthly allowance from the National Government under LOImp 116.

However, in view of the provision of paragraph 3.7 of NBC No. 329 which states among others that no one shall receive cost of living allowance from more than one source, the Metro Manila Commission issued Executive Order No. 80-03 to the City School Boards stopping payment of cost of living allowance from the Special Education Fund, hence these requests.

In a letter of OCPC dated March 4, 1981, relative to a similar query on the status of cost of living allowance of nationally paid teachers of Parañaque, under the Division of City Schools, Pasay City, it cited Letter of Instructions (LOI) No. 779, s. 1978 particularly Sections 1 and 2 which provide as follows:

"1. No official or employee of the national government, including contractual and casual personnel, may receive additional

compensation, including commutable or reimbursable allowances, from any province, city, municipality or barangay. Neither may any local government unit authorize the payment of additional compensation and allowances to officials and employees in the Legislative, Executive or Judicial Branches of the Government.

"2. Any existing authorization shall terminate as of December 31, 1978."

On the basis of the above-cited provisions, the stand of OCPC was that the Parañaque teachers are no longer entitled to receive the cost of living allowance from the Local School Board effective January 1, 1979. These teachers are however entitled to the cost of living allowance at P100 each/mo. granted by the national government, under NBC No. 329 s. 1980.

Said previous stand of this Office is similarly reiterated on the herein requests of the Schools Division Superintendents of Pasay City and Caloocan City, MEC-NCR. Moreover, with the enactment of RA No. 5447, the cost of living allowance provided in RA No. 4670 has since then been charged to the Special Education Fund which is temporary in character pending the appropriation by the Legislature of the necessary funds for the purpose. LOImp No. 116 as implemented by NBC No. 329, placed within its coverage all public school teachers with respect to the grant and entitlement of cost of living allowance. Furthermore, paragraph 3.7 of said Circular directs exclusiveness of funding source by expressly providing that no one shall receive the cost of living allowance from more than one source.

Based on the aforesaid provisions, authorizations granted to government employees to receive cost of living allowance, including allowances granted under RA 5447 are therefore terminated as of December 31, 1978. Hence, unless expressly provided for under subsequent law, only the cost of living allowance provided under LOImp No. 116 as implemented by NBC No. 329 s. 1980 at P100 each per month, is allowed.

In view of the foregoing, the cost of living allowance for teachers paid by the Local School Boards of Pasay City and Caloocan City is deemed terminated as of December 31, 1978.

Very truly yours,

(SGD.) LUIS R. BALTAZAR  
Acting Minister of the Budget

Copy furnished:

1. The Regional Director, MEC-NCR  
Banawe, Quezon City
2. The Schools Division Superintendent  
Division of City Schools  
Pasay City
3. The Schools Division Superintendent  
Division of City Schools  
Caloocan City

A true copy