

Republika ng Pilipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON, KULTURA AT ISPORTS
(MINISTRY OF EDUCATION, CULTURE AND SPORTS)
Maynila

July 28, 1986

MECS ORDER
No. 29, s. 1986

GRANTING COMPENSATION ADJUSTMENTS TO NATIONAL GOVERNMENT PERSONNEL

To: Deputy Ministers
Assistant Secretaries
Bureau Directors
Regional Directors
Cultural Agency Directors
Schools Superintendents
Chief of Service and Heads of Units/Centers
Presidents, State Colleges and Universities
Vocational School Superintendents/Administrators

1. Inclosed is a copy of National Compensation Circular No. 41 dated July 23, 1986, granting compensation adjustments to National Government personnel effective July 1, 1986, which is self-explanatory.

2. The Plantilla of Personnel and Notice of Salary Adjustment of officials and employees in the Central Office, Schools Division Superintendents, Assistant Schools Division Superintendents and Vocational School Superintendents shall be prepared by this Office. The Plantilla of Personnel and Notice of Salary Adjustment of officials and employees in regional offices, schools divisions, national schools/universities/colleges and others concerned, except those mentioned above, should be prepared by the offices/schools concerned and submitted direct to the Office of Compensation and Position Classification (OCPC). A copy of the Plantilla of Personnel for regional offices, schools divisions and national schools should be furnished this Office.

3. Please be guided accordingly.

(SGD.) LOURDES R. QUISUMBING
Minister

Incl.:
As stated

Reference:
MECS Order: No. 27, s. 1985

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

To be indicated in the Perpetual Index under
the following subjects:

BUREAUS and OFFICES
EMPLOYEES
OFFICIALS
PLANTILLA

RULES and REGULATIONS
SCHOOLS
UNIVERSITIES and COLLEGES

(Inclosure to MECS Order No. 29, s. 1986)

Republic of the Philippines
OFFICE OF BUDGET AND MANAGEMENT
Malacañang, Manila

NATIONAL COMPENSATION CIRCULAR NO. 41
July 23, 1986

TO : HEADS OF MINISTRIES, BUREAUS, OFFICES, AGENCIES OF
THE NATIONAL GOVERNMENT, STATE UNIVERSITIES AND
COLLEGES, AND ALL OTHERS CONCERNED

SUBJECT : GRANTING COMPENSATION ADJUSTMENTS TO NATIONAL
GOVERNMENT PERSONNEL.

1.0 PURPOSE

This Circular is being issued in compliance with Executive Order No. 31 dated July 23, 1986 authorizing increases in the basic salary and Cost-of-Living Allowance (COLA) of government personnel, subject to certain exemptions.

2.0 DEFINITION

The actual basic salary of an employee for purposes of this Circular shall mean the basic salary received as of June 30, 1986, but exclusive of incentive pay, transportation/representation and the mandatory cost-of-living allowances authorized under LOImp. No. 116, EO No. 922 and EO No. 985, bonus, and honorarium.

3.0 COVERAGE

- 3.1 The salary and COLA increases authorized under EO No. 31 shall apply to all personnel in the National Government whether regular, temporary, contractual, casual or emergency, whose salaries follow the National Compensation and Position Classification Plans.
- 3.2 The two-step salary increase or ten percent (10%) of basic salary shall apply to all national government personnel, except those enumerated under par. 4.1 herein.
- 3.3 The additional two-step increase or 10% of basic pay shall apply to all national teachers and related teaching positions under the Educational Supervision and Planning Group; School Administration Group; School, College and University Librarian Group; Teaching Group; College and University Faculty Group; and National Language Research Group.
- 3.4 The additional COLA shall apply to all personnel in the National Government, except those specified under par. 4.2 herein.
- 3.5 The adjustment of salaries and COLAs of local teachers to the national level shall apply to all teachers of locally funded Provincial, City, Municipal and Barangay High Schools.

4.0 EXEMPTION

4.1 Two-step salary or 10% increase in Basic Salary

The 10% increase in basic salary authorized under Executive Order No. 31 shall not apply to the following:

- 4.1.1 Positions in government-owned and controlled corporations;
- 4.1.2 Positions in agencies adopting the OP Pay Plan (Annex 1);
- 4.1.3 Positions in critical agencies or OCPC exempt agencies which have their own special pay plans (Annex 2);
- 4.1.4 Positions allocated to upgraded classes in the National Compensation and Position Classification Plans in recently reorganized agencies and whose staffing patterns have been approved only in 1985.
- 4.1.5 Positions in government agencies given special salary increases under
 - EO No. 1059, for lawyers
 - EO No. 1060, for allied medical personnel, and
 - EO No. 1065, for postal workers
- 4.1.6 Positions given special salary increases under specific Presidential approval.
- 4.1.7 Officials and employees authorized salary adjustments after the issuance of NCC 35 dated March 19, 1985.
- 4.1.8 Career Executive Service Officers (CESO) and equivalent and higher positions for whom a separate pay plan will be submitted by the Ministry of Budget and Management.

4.2 Additional COLA

The two (2) tiered COLA provided in Executive Order No. 31 shall not apply to:

- 4.2.1 Officials and employees in government owned and controlled corporations; and
- 4.2.2 Employees of agencies who are already receiving cash emoluments other than the standard basic pay and allowances under the National Compensation and Position Classification Plans.

4.3 Notwithstanding the above exemptions, employees of excluded agencies whose total compensation may fall below those of their counterparts in the covered agencies shall be given such salary and COLA increases as may be necessary to raise their total compensation equal to the adjusted salaries and COLAs of equivalent positions in the covered agencies as may be determined by the MBM. In no case, however, should such increases be more than the maximum amounts authorized under 5.0 and 6.0 hereunder.

5.0 RULES AND PROCEDURES FOR SALARY ADJUSTMENT/INCREASES

5.1 National Compensation and Position Classification Plans

- 5.1.1 Those whose salaries are on step in the National Salary Schedule shall be adjusted by two salary steps in the National Salary Schedule.
- 5.1.2 Those whose salaries are not on step in the National Salary Schedule shall be adjusted by ten percent (10%) of their approved basic salary rate.
- 5.1.3 Those who occupy teaching and other related teaching positions in the Ministry of Education, Culture and Sports and State Universities and Colleges (SUCs) shall be adjusted by four (4) salary steps in the National Salary Schedule or approximately twenty percent (20%) based on the actual basic salary as adjusted under MBM Letter to MECS dated January 31, 1986.
- 5.1.4 In the case of Non-Itemized Positions, the compensation of contractual employees shall be increased in accordance with par. 5.1.1 herein only when the contract of employment/services has been duly approved under the Ministry of the Budget/Civil Service Commission Joint Circular No. 3, dated February 23, 1977. The basis for the computation of the salary increases provided herein shall be the hiring rate per NCC No. 35, s. 1985 of the salary range allocation of a comparable class in the National Compensation and Position Classification Plans, exclusive of the 20% premium pay.
- 5.1.5 Emergency/casual employees whose salaries/wages are paid out of lump-sum appropriations shall be given the same percentage increases provided under par. 5.1.1 and 5.1.2 hereof, provided their positions have been duly classified and approved under the National Compensation and Position Classification Plans.

5.2 These salary increases shall be implemented without need of changing or revising salary ranges/grades of positions covered by these provisions. Salary rates that will be over the maximum of the salary range/grade allocation for these positions shall be allowed. However, the MBM shall make the necessary adjustment in ranges to accommodate these increases.

5.3 Limitations

5.3.1 In the implementation of the salary increase authorized under this Circular, no subordinate official or employee shall be adjusted to a salary rate exceeding the salary step below the authorized salary of his immediate supervisor or the next higher position in the hierarchical levels established Ministry-wide.

5.3.2 Subject to the limitation prescribed under Paragraph 5.3.1 hereof, merit increase(s) granted to incumbents shall be carried over on top of the adjusted salary.

6.0 RULES AND PROCEDURES FOR COLA ADJUSTMENTS/INCREASES

6.1 The additional COLA for National Government shall be as follows:

<u>Salary Level</u>	<u>Additional COLA Per Month</u>
P2,500 and below	P150.00
P2,501 to P3,000	50.00

6.2 The salary level referred to under 6.1 above shall be the salary level after effecting the adjustments under 5.0.

7.0 APPOINTMENTS

7.1 Effective July 1, 1986, the hiring rate of all appointments to positions covered by this Circular shall be at the new hiring rate of the salary range allocation of the positions as shown in Annex 3 except as may be prescribed by the MBM in occupational groups which have been authorized special salary adjustments such as teachers and related teaching positions in MECS and faculty positions in SUCs.

8.0 SOURCE OF FUNDS

8.1 Itemized Positions - Source of funding shall be in the following order:

8.1.1 Salary lapses and other personal services savings of the ministry/bureau/office/agency or state university/college concerned shall

be used to implement the salary increase and additional COLA authorized under this Circular.

- 8.1.2 For SUCs and other income generating agencies, any remaining deficiency shall be funded from actual income in excess of targeted income upon prior certification from the National Accounting Office of the Ministry of Budget and Management (MBM).
- 8.1.3 Any further deficiency shall be taken from funds realigned from less-essential or non-essential agency/office activities and those reallocated from other low priority programs of the agency/office as determined by the MBM.
- 8.1.4 Only after the foregoing prior sources of funding are exhausted shall any release from Salary Adjustment Fund (SAF) be made. The request for release from the SAF shall be supported by a certification to the utilization of allotment for personal services indicating the need for supplemental allotment from SAF.
- 8.1.5 Funds for the salary and COLA adjustment of local teachers shall be charged against the internal revenue allotments to Local Government Units and available local government funds.

8.2 Non-Itemized Positions

- 8.2.1 The salary increase of all non-itemized positions provided herein shall be charged against the respective lump-sum appropriations for salaries/wages reflected in the regular agency budgets.
- 8.3 No action shall be taken on requests to use personal services savings for agencies which are authorized to draw against the SAF as a consequence of the salary increase authorized herein.

9.0 OTHER IMPLEMENTING RULES AND PROCEDURES

- 9.1 Previous payment of salary increases under EO 1087
 - 9.1.1 Since EO No. 1087 has not been implemented (e.g., no NCC has been issued to implement EO 1087) payment of salary increases and additional COLA shall be considered advance payment of the salary adjustment and COLA provided herein.
 - 9.1.2 All officials and employees who received unsanctioned payments mentioned in par. 9.1.1 but who are not entitled to the salary adjustment and COLA authorized herein shall refund the equivalent amount of additional compensation received.

9.2 Submission of Plantilla

9.2.1 The Personnel Officer/Administrative Officer of the Ministry, Bureau, Office, Regional Office, Agency, State University or College or other entity of the National Government, shall prepare for purposes of the salary increases under this Circular, a Plantilla of Personnel and Salary Adjustment Form, a sample of which is attached as Annex 4.

9.2.2 The Plantilla of Personnel and Salary Adjustment Form shall be certified correct on each page by the Personnel Officer/Administrative Officer and approved by the Head of the Ministry, Bureau, Office/Regional Office, Agency, State University or College, or other entity of the National Government agency concerned.

9.3 Review by Office of Compensation and Position Classification (OCPC) and distribution of Plantilla

9.3.1 The original and four (4) copies of the approved Plantilla of Personnel and Salary Adjustment form shall be submitted to the OCPC which shall examine and verify said document on the basis of its records and certify them accordingly. The OCPC certified copies shall then be distributed as follows:

- One copy each to the Civil Service Commission Central Office and the Civil Service Commission Regional Office concerned, which shall serve as the Plantilla Appointment Proposal of the particular agency.
- One copy to the Commission on Audit, for compliance with auditing requirements.
- One copy to the Office of origin concerned for proper implementation.
- The original shall remain with the OCPC for purposes of records, control and post-audit.

9.3.2 The salary increases provided under this Circular shall be subject to appropriate adjustments if upon review by OCPC payment is found to be not in order. The recipient employee/official shall be liable for the refund of any overpayment made.

9.4 Notice of salary adjustment

9.4.1 The Head of Ministry, Bureau, Regional Office, Agency, State University and College or other entity of the National Government

concerned, shall notify the official/employee in writing of this Circular, through a Notice of Salary Adjustment Form, a sample form of which is attached as Annex 5. A copy of the Notice of Salary Adjustment shall be furnished the GSIS, if the beneficiary is a member thereof.

- 9.4.2 For employees having similar data and information such as OCPC classification of positions, salary range, actual basic salary and adjusted salary, a Notice of Salary Adjustment/Increase shall be issued in the form of Special Order, in lieu of the form prescribed under 9.4.1 above, attached as Annex 6, in lieu of the form prescribed under 9.4.1 above.

10.0 RESPONSIBILITY OF THE HEAD OF AGENCY

The Head of Ministry, Bureau, Office, Agency, Regional Office, State University and College, or other entity of the National Government concerned shall be held personally liable for any payment of salary increase not in accordance with the provisions of this Circular, without prejudice, however, to the refund of any excess payment by the employee concerned.

11.0 PAYMENT OF ALLOTMENT AND ACCOUNTING PROCEDURES

- 11.1 The salary increase herein authorized may be paid even before the receipt by the Agency of the Advice of Allotment from the MBM. The Cash Disbursement Ceiling (CDC) for the purpose shall be issued by the MBM even before the release of said Advice of Allotment, provided that the request shall be supported by a duly accomplished statement showing that the amount required cannot be covered from the CDC already allowed to the Agency on the basis of its regular allotment.
- 11.2 The Accounting Officer of each Ministry, Bureau, Regional Office, Agency, State University or College, or other entity of the National Government shall accomplish and submit to the MBM not later than fifteen (15) days after the end of the month a statement of actual payments of salary increases made during such preceding month on the basis of which the Advice of Allotment for the purpose shall be issued, a prescribed form of which is attached herein as Annex 7.
- 11.3 The Head of the Ministry, Bureau, Office, Regional Office, Agency, State University or College, or other entity of the National Government, shall submit the Plantilla of Personnel and Salary Adjustment Form referred to in par. 9.2 of this Circular thirty (30) days after receipt of PSI 1986 but not later than December 31, 1986. Failure to submit the Plantilla of Personnel and Salary Adjustment

Form shall cause the suspension by the MBM of the release of the Advice of Allotment and CDC for the succeeding quarter.

12.0 CONTRIBUTIONS

The salary increase herein authorized are subject to the mandatory requirements of GSIS life and retirement insurance premiums if the recipient is a member of the GSIS, and the Home Development Mutual Fund of 1980.

13.0 SAVING CLAUSE

Appropriate cases not covered by the provisions of this Circular shall be submitted to the Minister of the Budget for resolution.

14.0 EFFECTIVITY OF SALARY AND COLA INCREASES

The salary and COLA increases provided herein shall take effect on July 1, 1986.

(SGD.) ALBERTO G. ROMULO
Minister of the Budget

A true copy:

LIST OF AGENCIES ADOPTING THE OP (OFFICE OF THE PRESIDENT)
PAY PLAN NOT INCLUDED IN THE 10% SALARY ADJUSTMENT

OFFICE OF THE PRESIDENT (Proper)

Presidential Management Staff
 Office of Budget and Management
 National Computer Center
 Commission on Filipino Overseas
 National Cartography Authority
 National Manpower and Youth Council
 National Science Technology Authority
 National Academy of Science and Technology
 Phil. Council for Agriculture and Resources Research Devt.
 Phil. Council for Health Research and Development
 Food and Nutrition Research Institute
 Phil. Council for Industry and Energy Research and Devt.
 Forest Product Research and Development
 Materials Science Research Institute
 National Institute of Science and Technology
 Philippine Institute of Volcanology and Seismology
 Philippine Invention Development Institute
 Science Promotion Institute
 National Research Council of the Philippines
 Philippine Science High School
 Movie and Television Review and Classification Board
 Videogram Regulatory Board
 Youth Development Affairs
 Ilocos Norte Project Development Office
 National Commission Concerning Disabled Persons
 Office of the Vice President

OFFICE OF THE PRIME MINISTER (Proper)

Central Visayas Regional Project Office

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (Proper)

Tariff Commission
 National Tax Research Center
 National Census Statistics Office

MINISTRY OF FINANCE (Proper)

Bureau of the Treasury
 Insurance Commission
 Securities and Exchange Commission

MINISTRY OF FOREIGN AFFAIRS (Proper)

MINISTRY OF HEALTH

Research Institute for Tropical Medicine

MINISTRY OF HUMAN SETTLEMENTS (Proper)

Human Settlements Regulatory Commission
Intramuros Administration
Philippine Human Resources Development Center
KKK Secretariat

MINISTRY OF SOCIAL SERVICES AND DEVELOPMENT

Population Commission

MINISTRY OF TRADE AND INDUSTRY

LIST OF OCPC (OFFICE OF COMPENSATION AND POSITION
CLASSIFICATION)-EXEMPT AGENCIES NOT INCLUDED
IN THE 10% SALARY ADJUSTMENT

Management Coordinating Board
President Center for Special Studies
National Parks Development Committee
Economic Support Fund Secretariat
Philippine Commission on Government Reorganization
Philippine Commission on Good Government
Philippine Commission on Human Rights
Research Institute for Tropical Medicine

LIST OF AGENCIES WITH SPECIAL PAY PLANS
NOT INCLUDED IN THE 10% SALARY ADJUSTMENT

Metropolitan Manila Commission
Ministry of Foreign Affairs
Bureau of Internal Revenue
Bureau of Customs
Finance Ministry Intelligence Bureau
Bureau of Posts
Judiciary
Tanodbayan

NATIONAL SALARY SCHEDULE

<u>Salary Range</u>	<u>Hiring Rate Effective 1-1-85 NCC No. 35</u>	<u>Hiring Rate Effective 7-1-86</u>
38	6,552	7,236
39	6,552	7,236
40	6,552	7,236
41	6,552	7,236
42	6,552	7,236
43	6,838	7,608
44	7,236	7,992
45	7,608	8,400
46	7,992	8,832
47	8,400	9,288
48	8,832	9,756
49	9,288	10,260
50	9,756	10,776
51	10,260	11,328
52	10,776	11,904
53	11,328	12,516
54	11,904	13,152
55	11,904	13,152
56	12,516	13,824
57	13,152	14,532
58	13,824	15,264
59	14,532	16,044
60	15,264	16,860
61	16,044	17,724
62	16,860	18,636
63	17,724	19,584
64	18,636	20,580
65	19,584	21,624
66	20,580	22,728
67	21,624	23,892
68	22,728	25,116
69	23,892	26,388
70	25,116	27,732
71	26,388	29,148
72	27,732	30,636
73	29,148	32,196
74	30,636	33,840
75	32,196	35,568
76	33,840	37,380
77	35,568	39,288
78	37,380	41,292
79	39,288	43,392
80	41,292	45,600
81	43,392	47,928
82	45,600	50,376
83	47,928	52,944
84	50,376	55,644
85	52,944	58,476

HIRING RATE FOR TEACHERS AND RELATED TEACHING POSITIONS
 UNDER EXECUTIVE ORDER NO. 31 EFFECTIVE JULY 1, 1986

Salary Range	On-step Adjustment Effective January 1, 1986		Hiring Rate Under EO No. <u>31</u> Effective July 1, 1986	
	(Per Annum)	(Per Month)	(Per Annum)	(Per Month)
45	7,992	666	9,756	813
46	8,400	700	10,260	855
47	8,832	736	10,776	898
48	9,288	774	11,328	944
49	9,756	813	11,904	992
50	9,756	813	11,904	992
51	10,260	855	12,516	1,043
52	10,776	898	13,152	1,096
53	11,328	944	13,824	1,152
54	11,904	992	14,532	1,211
55	12,516	1,043	15,264	1,272
56	13,152	1,096	16,044	1,337
57	13,824	1,152	16,860	1,405
58	14,532	1,211	17,724	1,477
59	15,264	1,272	18,636	1,553
60	15,264	1,272	18,636	1,553
61	16,044	1,337	19,584	1,632
62	16,860	1,405	20,580	1,715
63	17,724	1,477	21,624	1,802
64	18,636	1,553	22,728	1,894
65	19,584	1,632	23,892	1,991
66	20,580	1,715	25,116	2,093
67	21,624	1,802	26,388	2,199
68	22,728	1,894	27,732	2,311
69	23,892	1,991	29,148	2,429
70	25,116	2,093	30,636	2,553
71	25,116	2,093	30,636	2,553
72	26,388	2,199	32,196	2,683
73	27,732	2,311	33,840	2,820
74	29,148	2,429	35,568	2,964
75	30,636	2,553	37,380	3,115
76	32,196	2,683	39,288	3,274
77	33,840	2,820	41,292	3,441
78	35,568	2,964	43,392	3,616
79	37,380	3,115	45,600	3,800
80	39,288	3,274	47,928	3,994
81	41,292	3,441	50,376	4,198
82	43,392	3,616	52,944	4,412
83	45,600	3,800	55,644	4,637
84	47,928	3,994	58,476	4,873
85	50,376	4,198	61,464	5,122
85 2nd	52,944	4,412	64,596	5,383
3rd	55,644	4,637	67,896	5,658
4th	58,476	4,873	71,364	5,947
5th	61,464	5,122	75,000	6,250

PLANTILLA OF PERSONNEL AND SALARY ADJUSTMENT FORM

Name of Office

Item No.	PSI for	BP Bldg for	Designation	Classification	Position	Range	Authorized Salary	Effective Salary	Adjusted Salary	Annual Salary	Differential	Name of Incumbent	Date of Last Promotion	REMARKS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
39-1			Senior Clerk	Senior Clerk		46	7992	8100*	9200	888		Emy Cruz	1-1-84	
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APPROVED: _____

Head of Agency

Administrative Officer/Personnel Officer

CERTIFIED CORRECT: _____

* Includes one-step merit increase received on or before June 30, 1986