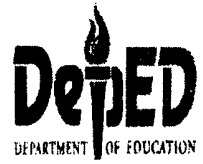




Republic of the Philippines  
Department of Education



N-3

JUL 18 2005

DepED ORDER  
No. 42, s. 2005

CLARIFICATION ON THE CONSOLIDATION OF ALLOWANCES,  
INCLUDING COST OF LIVING ALLOWANCE (COLA)

To: Undersecretaries  
Assistant Secretaries  
Bureau Directors  
Directors of Services/Centers and Heads of Units  
Regional Directors

1. Numerous reports have come to this Office regarding some groups collecting money and inciting teachers to sign petitions for the release of their Cost of Living Allowance (COLA).

2. The Department of Budget and Management (DBM) has issued Budget Circular No. 2001-03 dated November 12, 2001, to clarify the consolidation of allowances including COLA of government employees under R.A. No. 6758. Section 12 of the said provision states that:

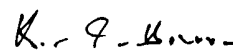
“Section 12. Consolidation of Allowances and Compensation – All allowances, except for representation and transportation allowances; clothing and laundry allowances...xx... and such other additional compensation not otherwise specified herein as may be determined by the DBM, shall be deemed included in the standardized salary rates herein prescribed. Such other additional compensation, whether in cash or in kind, being received by incumbents only as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized...”

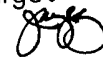
3. Since COLA is not included in the exceptions under Section 12, it is deemed included in the standardized salary rates being implemented under R.A. 6758, and should no longer be given as a separate allowance.

4. Payment of allowances and compensation such as COLA, which are already integrated in the standardized salary rates, is considered double compensation which is prohibited by the Constitution.

5. In view of the foregoing and unless provided by law, the claim for payment of COLA is deemed unauthorized.

6. Immediate dissemination of and compliance with this Order is directed.

  
RAMON C. BACANI  
Undersecretary  
Officer-in-Charge



Reference:

DepED Memorandum: No. 51, s. 2002

Allotment: 1- -(D.O. 50-97)

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

ALLOWANCES  
EMPLOYEES  
FUNDS  
OFFICIALS

Reformatted by: Maricar/DO-COLA  
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