

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 11



Introduced by **REP. FELICIANO BELMONTE, JR.**

EXPLANATORY NOTE

In 2009, Congress enacted Joint Resolution No 4 revising the Compensation and Classification system for civilian personnel and base pay of military and uniformed personnel. Joint Resolution No. 4 mandated the review of the compensation and position classification system after three years from the last year of the adjustment, to determine the competitiveness of government pay in relation to the private sector and the compensation strategy to bring government pay closer to market rates.

The proposed Salary Standardization Law (SSL) of 2016 will result in a weighted average increase of forty five percent (45%) in the compensation of all salary grades, and raise compensation of government personnel to at least seventy percent (70%) of the private sector rate. This will be effected through a combination of a salary increase, a 14th month pay and an enhanced performance-based bonus to be implemented over a four-year period, from January 1, 2016 to January 1, 2019.

The bill seeks to raise the pay of the government personnel to be competitive with the market rates, strengthen the link between pay and performance through an enhanced performance-based bonus system, temper the cost of benefit while maximizing the benefits of employees, and allow higher take-home pay particularly for government personnel belonging to the lower salary grades.

Government personnel are given substantial duties and responsibilities that significantly impact the nation. Legislative action is urgently needed to allow the

Government of the Republic of the Philippines to attract and retain the services of capable personnel in order to best serve the needs of the Filipino people.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


FELICIANO BELMONTE, JR.

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HOUSE BILL NO. 3 11

Introduced by Representative Feliciano Belmonte, Jr.

AN ACT MODIFYING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM OF
CIVILIAN GOVERNMENT PERSONNEL AND THE BASE PAY SCHEDULE OF MILITARY AND
UNIFORMED PERSONNEL IN THE GOVERNMENT, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Title.* – This Act shall be known as the “Salary Standardization Law of 2016” or the “SSL 2016”.

SEC. 2. *Statement of Policy.* – It is hereby declared the policy of the State to provide all government personnel a just and equitable compensation in accordance with the principle of equal pay for work of equal value. In pursuing this policy, the State shall ensure that:

- a) Differences in pay shall be based upon substantive differences in duties, responsibilities, accountabilities and qualification requirements of the positions.
- b) Compensation for all civilian government personnel shall be standardized and rationalized across all government agencies to create an enabling environment that will promote social justice, integrity, efficiency, productivity, accountability and excellence in the civil service.

SEC. 3. *Governing Principles.* – The following principles shall govern the implementation of the Compensation and Position Classification System (CPCS) for civilian government personnel and Base Pay Schedule for the military and uniformed personnel:

- a) The performance-based incentive system shall be strengthened through the integration of personnel and organizational performance to reward deserving government personnel and well-performing institutions;
- b) The compensation for government personnel shall be kept fair and reasonable in recognition of fiscal realities and an efficient allocation of Personnel Services (PS) cost which shall be maintained at a manageable level in proportion to the overall expenditure of the government;
- c) The CPCS shall be periodically reviewed every three (3) years, taking into account the competitiveness of government pay relative to the private sector, changes in skills and competency requirement in the bureaucracy, demand for certain expertise, possible erosion in the purchasing power due to inflation, and other factors;
- d) The compensation for all civilian government personnel shall be competitive with those in the private sector doing comparable work in order to attract, retain and motivate a corps of effective, efficient, professional, committed and competent civil servants;
- e) The compensation scheme shall ensure higher net take-home pay for government personnel; and

- f) The compensation system for the military and uniformed personnel shall likewise promote pay equity for an effective, efficient, committed, competent and motivated corps of officers and enlisted personnel. The base pay increase for military and uniformed personnel shall take into consideration the prevailing fiscal realities, particularly the effect on pension and the capacity of the government to sustain the payment thereof.

SEC. 4. *Coverage.* – The CPCS herein provided shall apply to all civilian government personnel in the Executive, Legislative and Judicial Branches, Constitutional Commissions and other Constitutional Offices, government-owned or -controlled corporations (GOCCs) not covered by Republic Act No. 10149, and local government units (LGUs). This shall cover government personnel whether regular, contractual or casual, appointive or elective; and on full-time or part-time basis.

SEC. 5. *Exclusions.* – The following shall be excluded from the coverage of the CPCS:

- a) Military and uniformed personnel which shall be covered by the provisions of Section 11 hereof;
- b) GOCCs under Republic Act No. 10149 which shall be covered by a CPCS established by the Governance Commission for GOCCs (GCG); and
- c) Individuals whose services are engaged through job orders, contracts of service, consultancy contracts, and service contracts with no employer-employee relationship.

SEC. 6. *Administration of the CPCS.* – As the Administrator of the CPCS, the Department of Budget and Management (DBM) shall undertake the following:

- (a) Modify and update the Index of Occupational Services, Occupational Groups, Classes and Salary Grades (IOS) as deemed necessary;
- (b) Classify and reclassify positions as to the appropriate position titles and salary grades guided by the Benchmark Position Schedule prescribed herein and the following factors:
 - (1) The education, experience, and competencies required to perform the duties and responsibilities of the positions;
 - (2) The nature and complexity of the work to be performed;
 - (3) The kind of supervision received and/or exercised;
 - (4) Decision-making responsibility;
 - (5) Accountability for funds, properties, equipment, and records;
 - (6) Hardship, hazard and personal risk involved in the job; and
 - (7) The demand for certain expertise.
- (c) Conduct compensation surveys on private industry to determine prevailing practices and rates of pay for comparable work in the government;
- (d) Formulate and issue the implementing guidelines on approved changes in the salary schedule, and the criteria and guidelines for approved changes in the rates of allowances, benefits and incentives; and
- (e) Resolve issues on the implementation of the CPCS.

SEC. 7. *Position Classification System.* – A Position Classification System shall be implemented and administered to organize and group positions by occupational groups, series, and classes, according to similarities or differences in duties and responsibilities, and qualification requirements pursuant to the policies, rules and regulations issued by the DBM. The Position Classification System shall be the basis for determining the appropriate position title, level, and salary grade.

- (a) Categories of Positions – The categories of positions shall be as follows: (1) Subprofessional Category; (2) Professional Category; and (3) Executive Category.

- (1) Subprofessional Category – This category includes positions involved in routine, manual, or clerical work in support of office operations or those engaged in arts, crafts, and trades.

These positions require completion of up to elementary education, secondary or vocational education or completion of at least two (2) years of college education, and skills acquired through training and moderate to considerable experience and knowledge of a limited subject matter or skills in arts, crafts, trades, manual and clerical work.

- (2) Professional Category – This category includes positions performing analytical, technical and administrative work requiring the exercise of profession, application of knowledge acquired through formal training in a particular field, or use of natural, creative and artistic ability or talent in arts and letters.

These positions generally require thorough knowledge in the field of arts and sciences or learning acquired through the completion of a bachelor's, master's or doctorate degrees.

- (3) Executive Category– This category includes managerial positions involved in the execution of laws, rules and regulations, both in the national and local governments, in the legislation of laws and ordinances, and in the administration of justice. Appointive executive positions require thorough knowledge acquired through completion of at least a bachelor's degree. Elective executive positions only require knowledge acquired through the minimum education prescribed by the Constitution and existing laws.

- (b) Index of Occupational Services, Occupational Groups, Classes and Salary Grades (IOS) –The IOS shall contain all occupational groups, position titles, and salary grades for all civilian government personnel. The existing levels of positions shall be reviewed to convert them to the more appropriate number of levels that recognizes reasonable gradations in the levels of difficulty, substantial changes and complexity of the duties and responsibilities of positions, work methods, skills, competencies and other relevant factors and to convert them into generic, brief but descriptive, and gender-neutral class or position titles.

- (c) Modification of Position Classification System –Any modification of the Position Classification System shall be subject to the following guidelines:

- (1) That positions are to be classified on the basis of their duties and responsibilities, and qualification requirements;
- (2) That new position titles are to be created only when there are new sets of duties and responsibilities; and
- (3) That position titles may be created, abolished, consolidated or divided as a result of organization, reorganization, and/or substantial changes in duties and responsibilities, and work methods.

SEC. 8. *Compensation System.* – A Compensation System shall be administered to determine the rates of pay for employees based on the position classification. The Compensation System shall consist of: (a) the salary schedule; (b) set of allowances, benefits and incentives; and (c) policies, rules and regulations on the administration of the salary schedule and grant of allowances, benefits and incentives.

- (a) Total Compensation Framework – The total compensation to be given to all civilian government personnel for services rendered shall be limited to the following:

- (1) Basic salaries, including step increments;
- (2) Standard allowances and benefits;
- (3) Specific-purpose allowances and benefits; and
- (4) Incentives and performance-based pay.

Provided, That the Total Compensation Framework shall exclude all indirect compensation under existing laws such as, but not limited to: life and retirement insurance benefits; employee compensation insurance; health insurance; Pag-Ibig Fund benefits; and Provident Fund benefits.

- (b) Compensation Adjustment Strategy – The strategy for this new compensation scheme is to bring the pay of government personnel closer to the prevailing rates in the private sector to attract and retain competent and committed personnel in the public sector. For this purpose, this Act shall:

- (1) Raise the minimum salary for Salary Grade 1 from the current rate of nine thousand pesos (P9,000) to eleven thousand sixty-eight pesos (P11,068) to make it even more competitive with the market rates;
- (2) Bring the compensation of government personnel closer to their private counterparts to at least seventy percent (70%) of the market rate for all salary grades;
- (3) Ensure that authorized salaries for each of the salary grade allocation of government personnel shall not overlap to recognize differences in duties and responsibilities for the position;
- (4) Provide for a compensation adjustment partly as basic salary and partly as mid-year 14th month pay to maximize the employees' net take-home pay; and
- (5) Strengthen the link between government pay and performance by enhancing the performance-based bonus to recognize the government personnel who play a greater role and carry a heavier responsibility in improving performance.

- (c) Implementation Schedule –The SSL 2015 shall be implemented in four (4) tranches.

- (1) On January 1, 2016, the compensation adjustment will be in the form of the first tranche salary increase and a mid-year bonus.
- (2) By January 1, 2017, the compensation adjustment will consist of the second tranche salary increase, the mid-year bonus and a fifty percent (50%) implementation of the enhanced performance-based bonus.
- (3) By January 1, 2018, the compensation adjustment will include the third tranche salary increase, mid-year bonus and the enhanced performance-based bonus.
- (4) Finally on January 1, 2019, the full implementation of the SSL 2015 will be composed of the final tranche salary increase, the mid-year bonus and the enhanced performance-based bonus.

- (d) New Salary Rates, including Step Increments – The modified Salary Schedule for Civilian Personnel, to be implemented in four (4) tranches, shall be as follows:

First Tranche

Salary								
Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,478	9,568	9,660	9,753	9,846	9,949	10,036	10,132
2	10,159	10,255	10,351	10,449	10,547	10,647	10,747	10,848
3	10,883	10,985	11,089	11,193	11,298	11,405	11,512	11,621
4	11,658	11,767	11,878	11,990	12,103	12,217	12,333	12,448
5	12,488	12,644	12,725	12,844	12,965	13,087	13,211	13,335
6	13,378	13,504	13,630	13,759	13,889	14,020	14,152	14,285
7	14,331	14,466	14,602	14,740	14,878	15,018	15,159	15,303
8	15,368	15,519	15,670	15,823	15,978	16,133	16,291	16,450
9	16,512	16,671	16,830	16,992	17,155	17,319	17,485	17,653
10	17,730	17,900	18,071	18,245	18,420	18,634	18,775	18,955
11	19,077	19,286	19,496	19,709	19,925	20,142	20,362	20,585
12	20,651	20,870	21,091	21,315	21,540	21,769	21,999	22,232
13	22,328	22,564	22,804	23,045	23,289	23,536	23,786	24,037
14	24,141	24,396	24,655	24,916	25,180	25,447	25,717	25,989
15	26,192	26,489	26,790	27,094	27,401	27,712	28,027	28,344
16	28,417	28,740	29,066	29,396	29,729	30,066	30,408	30,752
17	30,831	31,183	31,536	31,893	32,255	32,622	32,991	33,366
18	33,452	33,831	34,215	34,603	34,996	35,393	35,795	36,201
19	36,409	36,857	37,312	37,771	38,237	38,709	39,186	39,670
20	39,768	40,259	40,755	41,258	41,766	42,281	42,802	43,330
21	43,439	43,974	44,517	45,066	45,621	46,183	46,753	47,329
22	47,448	48,032	48,625	49,224	49,831	50,445	51,067	51,697
23	51,826	52,466	53,112	53,767	54,430	55,101	55,781	56,468
24	56,610	57,308	58,014	58,730	59,453	60,187	60,928	61,679
25	61,971	62,735	63,508	64,291	65,083	65,885	66,698	67,520
26	67,690	68,524	69,369	70,224	71,090	71,967	72,855	73,751
27	73,937	74,849	75,771	76,705	77,651	78,608	79,577	80,567
28	80,760	81,756	82,764	83,784	84,817	85,862	86,921	87,993
29	88,214	89,301	90,402	91,516	92,644	93,786	94,943	96,113
30	96,354	97,543	98,745	99,962	101,195	102,442	103,705	104,984
31	117,086	118,623	120,180	121,758	123,356	124,975	126,616	128,278
32	135,376	137,174	138,996	140,843	142,714	144,610	146,531	148,478
33	160,924	165,752						

Second Tranche

Salary								
Grade	Step 1	Step2	Step 3	Step 4	Step 5	Step 6	Step7	Step 8
1	9,981	10,072	10,165	10,258	10,352	10,453	10,543	10,640
2	10,667	10,761	10,856	10,952	11,049	11,147	11,245	11,345
3	11,387	11,488	11,589	11,691	11,795	11,899	12,004	12,110
4	12,155	12,262	12,371	12,480	12,591	12,702	12,814	12,927
5	12,975	13,117	13,206	13,322	13,440	13,559	13,679	13,799
6	13,851	13,973	14,096	14,221	14,347	14,474	14,602	14,731
7	14,785	14,916	15,048	15,181	15,315	15,450	15,587	15,725
8	15,818	15,969	16,121	16,275	16,430	16,586	16,744	16,903
9	16,986	17,142	17,299	17,458	17,618	17,780	17,943	18,108
10	18,217	18,385	18,553	18,724	18,896	19,095	19,244	19,421
11	19,620	19,853	20,088	20,326	20,567	20,811	21,058	21,307
12	21,387	21,626	21,868	22,113	22,361	22,611	22,864	23,120
13	23,257	23,517	23,780	24,047	24,315	24,587	24,863	25,141
14	25,290	25,573	25,859	26,149	26,441	26,737	27,036	27,339
15	27,565	27,887	28,214	28,544	28,877	29,214	29,557	29,902
16	30,044	30,396	30,751	31,111	31,474	31,843	32,215	32,592
17	32,747	33,131	33,518	33,909	34,306	34,707	35,113	35,524
18	35,693	36,111	36,532	36,960	37,392	37,829	38,272	38,719
19	39,151	39,685	40,227	40,776	41,333	41,898	42,470	43,051
20	43,250	43,841	44,440	45,047	45,662	46,285	46,917	47,559
21	47,779	48,432	49,094	49,764	50,443	51,132	51,831	52,539
22	52,783	53,503	54,234	54,975	55,726	56,487	57,258	58,040
23	58,310	59,106	59,913	60,732	61,561	62,402	63,255	64,118
24	64,416	65,296	66,187	67,092	68,008	68,937	69,878	70,832
25	71,476	72,452	73,441	74,444	75,461	76,491	77,536	78,595
26	78,960	80,039	81,132	82,240	83,363	84,502	85,657	86,825
27	87,229	88,420	89,628	90,852	92,093	93,351	94,625	95,925
28	96,363	97,679	99,013	100,366	101,736	103,126	104,534	105,962
29	106,454	107,908	109,382	110,875	112,390	113,925	115,481	117,058
30	117,601	119,208	120,836	122,486	124,159	125,855	127,573	129,316
31	152,325	154,649	157,008	159,404	161,836	164,305	166,812	169,357
32	177,929	180,700	183,513	186,372	189,274	192,221	195,215	198,255
33	215,804	222,278						

Third Tranche

Salary								
Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	10,510	10,602	10,695	10,789	10,884	10,982	11,076	11,173
2	11,200	11,293	11,386	11,480	11,575	11,671	11,767	11,864
3	11,914	12,013	12,112	12,212	12,313	12,414	12,517	12,620
4	12,674	12,778	12,884	12,990	13,097	13,206	13,315	13,424
5	13,481	13,606	13,705	13,818	13,932	14,047	14,163	14,280
6	14,340	14,459	14,578	14,699	14,820	14,942	15,066	15,190
7	15,254	15,380	15,507	15,635	15,765	15,895	16,026	16,158
8	16,282	16,433	16,585	16,739	16,895	17,051	17,209	17,369
9	17,473	17,627	17,781	17,937	18,095	18,253	18,413	18,575
10	18,718	18,883	19,048	19,215	19,384	19,567	19,725	19,898
11	20,179	20,437	20,698	20,963	21,231	21,502	21,777	22,055
12	22,149	22,410	22,674	22,942	23,212	23,486	23,763	24,043
13	24,224	24,510	24,799	25,091	25,387	25,686	25,989	26,296
14	26,494	26,806	27,122	27,442	27,766	28,093	28,424	28,759
15	29,010	29,359	29,713	30,071	30,432	30,799	31,170	31,545
16	31,765	32,147	32,535	32,926	33,323	33,724	34,130	34,541
17	34,781	35,201	35,624	36,053	36,487	36,927	37,371	37,821
18	38,085	38,543	39,007	39,477	39,952	40,433	40,920	41,413
19	42,099	42,730	43,371	44,020	44,680	45,350	46,030	46,720
20	47,037	47,742	48,457	49,184	49,921	50,669	51,428	52,199
21	52,554	53,341	54,141	54,952	55,776	56,612	57,460	58,322
22	58,717	59,597	60,491	61,397	62,318	63,252	64,200	65,162
23	65,604	66,587	67,585	68,598	69,627	70,670	71,730	72,805
24	73,299	74,397	75,512	76,644	77,793	78,959	80,143	81,344
25	82,439	83,674	84,928	86,201	87,493	88,805	90,136	91,487
26	92,108	93,488	94,889	96,312	97,755	99,221	100,708	102,217
27	102,910	104,453	106,019	107,608	109,221	110,858	112,519	114,210
28	114,981	116,704	118,453	120,229	122,031	123,860	125,716	127,601
29	128,467	130,392	132,346	134,330	136,343	138,387	140,461	142,566
30	143,534	145,685	147,869	150,085	152,335	154,618	156,935	159,288
31	198,168	201,615	205,121	208,689	212,318	216,011	219,768	223,590
32	233,857	238,035	242,288	246,618	251,024	255,509	260,074	264,721
33	289,401	298,083						

Fourth Tranche

Salary								
Grade	Step 1	Step2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	11,068	11,160	11,254	11,348	11,443	11,538	11,635	11,732
2	11,761	11,851	11,942	12,034	12,126	12,219	12,313	12,407
3	12,466	12,562	12,658	12,756	12,854	12,952	13,052	13,152
4	13,214	13,316	13,418	13,521	13,625	13,729	13,835	13,941
5	14,007	14,115	14,223	14,332	14,442	14,553	14,665	14,777
6	14,847	14,961	15,076	15,192	15,309	15,426	15,545	15,664
7	15,738	15,859	15,981	16,104	16,227	16,352	16,477	16,604
8	16,758	16,910	17,063	17,217	17,372	17,529	17,688	17,848
9	17,975	18,125	18,277	18,430	18,584	18,739	18,896	19,054
10	19,233	19,394	19,556	19,720	19,884	20,051	20,218	20,387
11	20,754	21,038	21,327	21,619	21,915	22,216	22,520	22,829
12	22,938	23,222	23,510	23,801	24,096	24,395	24,697	25,003
13	25,232	25,545	25,861	26,181	26,506	26,834	27,166	27,503
14	27,755	28,099	28,447	28,800	29,156	29,517	29,883	30,253
15	30,531	30,909	31,292	31,680	32,072	32,469	32,871	33,279
16	33,584	34,000	34,421	34,847	35,279	35,716	36,159	36,606
17	36,942	37,400	37,863	38,332	38,807	39,288	39,774	40,267
18	40,637	41,140	41,650	42,165	42,688	43,217	43,752	44,294
19	45,269	46,008	46,759	47,522	48,298	49,086	49,888	50,702
20	51,155	51,989	52,838	53,700	54,577	55,468	56,373	57,293
21	57,805	58,748	59,707	60,681	61,672	62,678	63,701	64,741
22	65,319	66,385	67,469	68,570	69,689	70,827	71,983	73,157
23	73,811	75,015	76,240	77,484	78,749	80,034	81,340	82,668
24	83,406	84,767	86,151	87,557	88,986	90,439	91,915	93,415
25	95,083	96,635	98,212	99,815	101,444	103,100	104,783	106,493
26	107,444	109,197	110,980	112,791	114,632	116,503	118,404	120,337
27	121,411	123,393	125,407	127,454	129,534	131,648	133,797	135,981
28	137,195	139,434	141,710	144,023	146,373	148,763	151,191	153,658
29	155,030	157,561	160,132	162,746	165,402	168,102	170,845	173,634
30	175,184	178,043	180,949	183,903	186,904	189,955	193,055	196,206
31	257,809	262,844	267,978	273,212	278,549	283,989	289,536	295,191
32	307,365	313,564	319,887	326,338	332,919	339,633	346,483	353,470
33	388,096	399,739						

- (1) Basic Salaries – The rates in the above salary schedule represents monthly remuneration for regular or contractual personnel, whether appointive or elective, and on full-time employment. The remuneration for those on a part-time basis shall be proportionate to the actual services rendered.

Casual personnel shall be paid a daily wage rate computed by dividing the corresponding monthly salary rate in the above schedule by twenty-two (22) working days.

- (2) Step Increments – An employee may progress from Step 1 to Step 8 of the salary grade allocation of his/her position in recognition of meritorious performance based on a performance management system approved by the Civil Service Commission (CSC) and/or through length of service, in accordance with the rules and regulations to be promulgated jointly by the DBM and the CSC.

Employees authorized to receive longevity pay under existing laws shall no longer be entitled to step increments due to length of service. The grant of step increment based on merit and performance shall be in lieu of the productivity incentive benefit.

- e) Standard Allowances and Benefits – These are allowances and benefits given to all employees across agencies at prescribed rates, guidelines, rules and regulations, which shall be limited to the following:

- (1) Personnel Economic Relief Allowance- Allowance to supplement the basic salary due to the rising cost of living to be given at two thousand pesos (P2,000) per month;
- (2) Uniform or Clothing Allowance- To provide for the payment of the required work attire of government employees at prescribed rates;
- (3) Mid-Year Bonus- Equivalent to one (1) month basic salary to be given not earlier than May of every year; and
- (4) Year-End Bonus and Cash Gift-The year-end bonus is equivalent to one (1) month basic salary and cash gift at prescribed rates. These shall be given not earlier than November of every year.

- f) Specific-Purpose Allowances and Benefits- These are allowances and benefits given to employees under certain situations at prescribed rates, guidelines, rules and regulations, which shall be limited to the following:

- (1) Representation and Transportation Allowances(RATA) – These are given to civilian government personnel occupying division chief to Department Secretary positions or equivalent level as may be determined by the DBM at monthly standard rates in order to defray transportation and representation expenses while in the actual performance of the duties of the positions;
- (2) Per Diem- This is a compensation for attendance in meetings in view of membership in collegial bodies authorized by law;
- (3) Honoraria-These are token payments in recognition of services rendered beyond the regular duties and responsibilities of positions;
- (4) Night-Shift Differential- This premium is given to an employee whose regular working hours fall wholly or partially within six o'clock in the evening to six o'clock in the morning of the following day;

- (5) Overtime Pay-This is cash payment for work performed by an employee beyond the regular working hours in a day; and those performed on rest days, holidays and nonworking days;
 - (6) Subsistence Allowance- This is an allowance for meal or sustenance given only to government personnel who, by the nature of the duties and responsibilities of their positions, have to make their services available at their places of work even during mealtimes. This shall be given at the prescribed standard rate;
 - (7) Hazard Pay- This is a premium given only to government personnel exposed to hazardous situations such as, but not limited to, assignment in strife-torn or embattled areas, distressed or isolated stations, prison camps, mental hospitals, leprosaria, radiation-exposed clinics, laboratories or workshops, disease-infested areas and areas declared under state of calamity or emergency which pose occupational risks or perils to life;
 - (8) Special Counsel Allowance-This is an allowance for lawyer personnel in the legal staff of departments, bureaus or offices of the National Government deputized by the Office of the Solicitor General to appear in court as special counsel in collaboration with the Solicitor General or Prosecutors concerned;
 - (9) Overseas and Other Allowances for Government Personnel Stationed Abroad-These are allowances given to government officials and employees assigned abroad at such rates authorized under Republic Act No. 7157, as amended, and its implementing rules and regulations; and
 - (10) Other allowances and benefits granted under specific conditions and situations, related to the actual performance of work as may be determined by the DBM.
- g) Incentives and Performance-Based Pay- Benefits which are categorized as incentives and performance-based pay shall be limited to the following:
- (i) Enhanced Performance-Based Bonus- This will be given subject to the achievement by departments or agencies and individual personnel of their performance targets and compliance with good governance conditions. The Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems created under Administrative Order No. 25, s. 2011 shall prescribe the procedures for the grant of this incentive and the conditions on eligibility. The bonus will be equivalent to one (1) month up to two (2) months' salary, providing for a progressive rate as the position and responsibility in improving agency performance becomes higher;
 - (ii) Loyalty Incentive-This is an incentive to reward the personnel's loyalty to government service with at least satisfactory performance during his/her milestone years;
 - (iii) Anniversary Bonus- This is an incentive to recognize the personnel's participative efforts in and contributions to the agencies' continuing and/or viable existence to be given to employees on the occasion of their agencies' milestone anniversaries;
 - (iv) Productivity Enhancement Incentive- This will be given in December of every year at five thousand pesos (P5,000) to all government employees to improve their productivity;
 - (v) Collective Negotiation Agreement (CNA) Incentive- This may be granted to both management and rank-and-file employees of agencies with approved and successfully implemented CNAs in recognition of their efforts in accomplishing performance targets at lesser cost, and in attaining more efficient and viable operations through cost-cutting measures and systems improvement. Such CNA incentive shall be sourced from allowable Maintenance and Other Operating Expenses (MOOE) items of agencies; and

(vi) Other existing authorized benefits to be categorized by the DBM as incentives.

- h) Special Allowances- The grant of Special Allowances to certain officials and employees as provided under Republic Acts Numbered 9227, 9279, 9347, 9406 and 9417 shall be considered as an advance implementation of any subsequent increases in the salary rates under Republic Act No. 6758, as amended.

Accordingly, the full amount of Special Allowances or portions thereof that have been received shall be converted as part of basic salaries as a result of the salary increases authorized pursuant to this Act and such other subsequent issuances and/or laws authorizing salary adjustments: *Provided*, That such Special Allowances shall cease to be granted once the full amount of the authorized Special Allowances have been received by the employee concerned.

- i) Magna Carta Benefits- These are the benefits authorized for specific officials and employees under Magna Carta laws that may be categorized in the Total Compensation Framework in accordance with the guidelines, rules and regulations to be issued by the DBM.

The DBM, in coordination with the agencies concerned, shall determine the qualifications, conditions and rates in the grant of said benefits. Accordingly, the consultative councils, departments and officials previously authorized to issue the implementing rules and regulations of Magna Carta benefits shall no longer exercise aid function relative to the grant of such benefits.

SEC. 9. *Salary Grade Assignments of Positions.* - The salary grades for positions for constitutional officials and their equivalent shall be:

Salary Grade	Position
33	President of the Philippines
32	Vice President of the Philippines
32	President of the Senate of the Philippines
32	Speaker of the House of Representatives
32	Chief Justice of the Supreme Court
31	Senator
31	Member of the House of Representatives
31	Associate Justice of the Supreme Court
31	Chairman of a Constitutional Commission under Article IX of the Constitution
30	Member of a Constitutional Commission under Article IX of the Constitution

Notwithstanding the provisions of law to the contrary, the DBM shall review and reclassify as necessary the salary grade assignments for positions below those for constitutional officials and their equivalent for possible modifications in view of organizational, technological, professional and other developments, guided by the following benchmark positions:

Position Title	Salary Grade
Administrative Aide I	1
Laboratory Aide I	2
Administrative Aide III	3
Administrative Aide IV	4

Media Production Aide	5
Medical Laboratory Technician I	6
Administrative Assistant I	7
Internal Auditing Assistant	8
Midwife I	9
Legal Assistant I	10
Teacher I	11
Instructor I	12
Science Research Specialist I	13
Executive Assistant I	14
Nurse II	15
Medical Officer I	16
Assistant Professor III	17
Social Welfare Officer III	18
Engineer III	19
Pharmacist V	20
Medical Officer III	21
Supervising Science Research Specialist	22
Attorney III	23
Chief Administrative Officer	24
Director I	25
Director II	26
Director III	27
Director IV	28
Department Assistant Secretary	29

SEC. 10. *Compensation for Local Government Unit Personnel.* – The salaries, allowances, benefits and incentives of LGU personnel shall be based on the rates authorized herein and those determined by the DBM, subject to the PS limitation under Sections 325 and 331 of Republic Act No. 7160 and authority from the sanggunian as provided under Sections 447(a), 458(a) and 468(a) of Republic Act No. 7160.

In the implementation of the salary increases, LGUs shall likewise ensure compliance with the following:

- (a) The salaries of LGU personnel that may be authorized shall not exceed the percentage of the Salary Schedule prescribed for the respective LGUs' income classification stated below:

Percentage of the Salary Schedule		
	For Provinces/Cities	For Municipalities
Special Cities	100%	
1 st Class	100%	90%
2 nd Class	95%	85%
3 rd Class	90%	80%
4 th Class	85%	75%
5 th Class	80%	70%
6 th Class	75%	65%

- (b) The rates of RATA shall be determined based on the above income class schedule.

- (c) The basic pay of barangay personnel shall be in the form of honoraria which shall not exceed the percentage of the Salary Schedule adopted by the LGU to which it belongs. They may likewise receive year-end bonus based on the monthly honoraria as of October 31 of the year and cash gift of five thousand pesos (P5,000).

However, the minimum year-end bonus of one thousand pesos (P1,000) for the punong barangay and six hundred pesos (P600) for other mandatory barangay officials shall not be subject to the PS limitation.

- (d) In case of partial implementation of the authorized compensation rates, the same shall be at uniform percentage across all positions for every LGU.

SEC. 11. *Military and Uniformed Personnel.*— The military personnel of the Department of National Defense (DND) and the uniformed personnel of the Department of the Interior and Local Government (DILG), the Philippine Coast Guard (PCG) and the National Mapping and Resource Information Authority (NAMRIA) shall be covered by the Base Pay Schedule, as follows:

DND	DILG		PCG	NAMRIA	Monthly Base Pay			
	BJMP and BFP	PNP and PPSC			First Tranche	Second Tranche	Third Tranche	Fourth Tranche
Candidate Soldier					11,622	11,991	12,372	12,764
Private	Fire/Jail Officer I	Police Officer I	Apprentice Seaman/ Seaman Third Class	Apprentice Seaman/ Seaman Third Class	15,256	15,691	16,138	16,597
Private First Class			Seaman Second Class	Seaman Second Class	16,521	17,109	17,719	18,351
Corporal	Fire/Jail Officer II	Police Officer II	Seaman First Class	Seaman First Class	17,639	18,372	19,137	19,933
Sergeant			Petty Officer III	Petty Officer III	18,589	19,474	20,401	21,371
Staff Sergeant	Fire/Jail Officer III	Police Officer III	Petty Officer II	Petty Officer II	19,644	20,673	21,757	22,898
Technical Sergeant			Petty Officer I	Petty Officer I	21,313	22,534	23,824	25,189
Master Sergeant	Senior Fire/Jail Officer I	Senior Police Officer I	Chief Petty Officer	Chief Petty Officer	23,124	24,560	26,086	27,707
Senior Master Sergeant	Senior Fire/Jail Officer II	Senior Police Officer II	Senior Chief Petty Officer	Senior Chief Petty Officer	25,088	26,770	28,563	30,477
Chief Master Sergeant	Senior Fire/Jail Officer III	Senior Police Officer III	Master Chief Petty Officer	Master Chief Petty Officer	27,306	29,363	31,574	33,952
First Chief Master Sergeant	Senior Fire/Jail Officer IV	Senior Police Officer IV	First Master Chief Petty Officer	First Master Chief Petty Officer	29,826	32,437	35,277	38,366
Cadet		Cadet	Cadet		29,826	32,437	35,277	38,366
Probationary Second Lieutenant					29,826	32,437	35,277	38,366

DND	DILG		PCG	NAMRIA	Monthly Base Pay			
	BJMP and BFP	PNP and PPSC			First Tranche	Second Tranche	Third Tranche	Fourth Tranche
Second Lieutenant			Ensign	Ensign	32,937	36,228	39,848	43,829
First Lieutenant	Inspector	Inspector	Lieutenant Junior Grade	Lieutenant Junior Grade	35,977	40,022	44,522	49,528
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	Lieutenant Senior Grade	39,729	44,699	50,291	56,582
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	Lieutenant Commander	42,458	48,313	54,975	62,555
Lieutenant Colonel	Superintendent	Superintendent	Commander	Commander	46,479	53,608	61,830	71,313
Colonel	Senior Superintendent	Senior Superintendent	Captain	Captain	50,767	59,220	69,081	80,583
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	Commodore	55,452	65,421	77,182	91,058
Major General	Director	Director	Rear Admiral	Rear Admiral	60,570	72,273	86,236	102,896
			Vice Admiral	Vice Admiral	66,012	79,251	95,147	114,235
Lieutenant General		Deputy Director General	Admiral	Admiral	71,453	86,228	104,058	125,574
General		Director General			82,384	100,551	122,723	149,785

The remuneration for military and uniformed personnel shall be reckoned on a separate Total Compensation Framework, to be authorized by the President of the Philippines, which shall include: (a) Base Pay, including Longevity Pay; (b) Standard Allowances and Benefits; (c) Specific-Purpose Allowances and Benefits; and (d) Incentives and Performance-Based Pay.

All existing types of allowances and benefits for military and uniformed personnel shall continue to be authorized.

Notwithstanding the provisions of Presidential Decree No. 1638 and Republic Act No. 8551, and considering the pendency of the passage of a pension reform law establishing a sustainable and just pension system for military and uniformed personnel, the indexation of pension benefits of retired military and uniformed personnel with the base pay for those in the active service shall be suspended insofar as the base pay increase authorized in this Act is concerned.

SEC. 12. *Exempt Entities.* – Exempt entities refer to: (a) government agencies that are not covered by the CPCS authorized under Republic Act No. 6758, as amended; (b) GOCCs governed by the CPCS established by the GCG under Republic Act No. 10149; and (c) those authorized by law and have actually adopted their own CPCS.

Exempt entities shall be governed by their respective CPCS which shall be made effective upon the recommendation of the DBM and approval by the President of the Philippines. Any increase or adjustments thereon shall be similarly subject to the foregoing recommendation and approval:

Provided, That exempt entities which still follow the salary rates for positions covered by Republic Act No. 6758, as amended, are entitled to the salary adjustments due to the implementation of this Act, until such time that they have implemented their own CPCS.

All exempt entities shall submit their existing compensation and position classification systems and their implementation status to the DBM.

SEC. 13. *Non-diminution in the Basic Salaries of Incumbent Employees.* – There shall be no diminution in the basic salaries of incumbent employees as a result of changes in the CPCS for civilian government personnel. This shall not apply to any other instances such as in the case of voluntary demotion.

SEC. 14. *Prohibition on Additional Compensation.* – Government agencies, including GOCCs/government financial institutions (GFIs) and LGUs are hereby prohibited from assessing or charging other government entities, GOCCs/GFIs or LGUs for services rendered by its officials and employees as part of their regular functions for purposes of paying additional compensation to said officials and employees.

SEC. 15. *Implementation Schedule.* –For National Government employees, the Salary Schedule in Section (8)(4) and the Base Pay Schedule in Section 11 shall be implemented in four (4) equal yearly tranches but in no case beyond four (4) years: *Provided*, That the initial implementation shall take effect on January 1, 2016.

For GOCCs and LGUs, the implementation period shall be at least four (4) years depending on their financial capabilities: *Provided*, further, That the initial implementation shall not be earlier than January 1, 2016, subject to the PS limitation for LGUs under Sections 325 and 331 of Republic Act No. 7160.

SEC. 16. *Applicability to Certain Officials.* – Pursuant to Section 6 of Article VII and Section 10 of Article VI of the Constitution, the salaries prescribed herein for the President of the Philippines, Vice President of the Philippines and Members of Congress shall take effect only after the expiration of the respective terms of the present incumbents.

The implementation of this Act with respect to the regular Members of the Cabinet shall be effective starting July 1, 2016.

SEC. 17. *Funding Sources.* – The funding sources for the amounts necessary to implement this Act shall be as follows:

- (a) For national government agencies, the amount shall be charged against the appropriations set aside for the purpose in the FY 2016 General Appropriations Act. Thereafter, such amounts as are needed shall be included in the annual General Appropriations Act;
- (b) For GOCCs, the amounts shall come from their respective corporate funds in the corporate operating budgets approved by the DBM. Government corporations which do not have adequate or sufficient funds shall only partially implement the established rates: *Provided*, That any partial implementation shall be at uniform proportion of the established rates for all positions in each government corporation; and
- (c) For LGUs, the amounts shall be charged against their respective local government funds in accordance with the pertinent provisions of this Act and Republic Act No. 7160.

SEC. 18. *Separability Clause.* – If, for any reason, any section or provision of this Act is declared to be unconstitutional or invalid, the other sections or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 19. *Applicability of Presidential Decree No. 985, as Amended by Presidential Decree No. 1597.* -All provisions of Presidential Decree No. 985, as amended by Presidential Decree No. 1597; Republic Act No. 6758; Executive Order No. 201 s. 2016, Congress Joint Resolution No. 1, s. 1994; and Congress Joint Resolution No. 4, s. 2009 which are not inconsistent with, expressly modified, revoked or repealed in this Act shall continue to be in full force and effect.

SEC. 20. *Repealing Clause.* - All laws, decrees, orders, rules or regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

All other laws inconsistent with this Act such as, but not limited to, Presidential Decree No. 1638, Republic Acts Numbered 4670, 6686, 7160, 7305, 8439, 8441, 8551, 9173, and 9433 are hereby amended.

SEC. 21. *Implementing Guidelines.* -The DBM shall issue the guidelines necessary to implement specific provisions of this Act.

SEC. 22. *Effectivity.* - This Act shall take effect January 1, 2016 after its official publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,