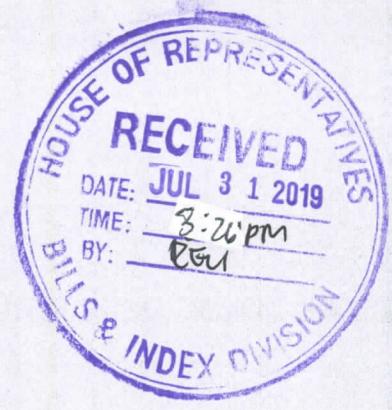


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session

3252
HOUSE BILL NO.

Introduced by: **HON. "KUYA" JOSE ANTONIO R. SY-ALVARADO**

AN ACT MODIFYING THE SALARY SCHEDULE FOR CIVILIAN GOVERNMENT PERSONNEL

EXPLANATORY NOTE

Our government loses talented and competent employees because of critical compensation problems. Compensation is cited as an important factor when seeking a job. The way to entice the best talents to the government sector is to tackle the perceived negatives, mainly lower salaries.

Different jobs such as, accountants, programmers, human resource specialists, consultants, exist in both private and public sectors. Government employees are paid far less than their private sector counterparts. They shift to private sector for higher paying jobs while others go abroad even if they become underemployed.

In fact, millions of Filipinos are going abroad to work because of the attractive salaries and benefits. According to a report released by the Philippine Statistics Authority last May 24, 2017, there are around 2.2 million Filipinos who go abroad as Overseas Filipinos Workers (OFW) anytime during the period April to September 2016.¹

Cost-of-living adjustments (COLA) authorized for government employees can't keep up with inflation. To receive significant salary increases, government employees have to compete for vacant positions with higher salaries.

Salary increase is a vital predictor in the retention and motivation of government employees. Competitive pay is also a consistently important factor in attracting professionals, experts and highly competent job seekers.

We need to solve and address these salary and compensation problems before they become a bigger problem.

Thus, the approval of this bill is earnestly sought.

Cost-of-living adjustments (COLA) authorized for government employees can't keep up with inflation. To receive significant salary increases, government employees have to compete for vacant positions with higher salaries.

HON. "KUYA" JOSE ANTONIO R. SY-ALVARADO
Representative
First District of Bulacan

¹ (Philippine Statistics Authority, 2017) Philippine Statistics Authority. (2017). 2016 Survey on Overseas Filipinos.

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EIGHTEENTH CONGRESS
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3252
HOUSE BILL NO.

Introduced by: "KUYA" JOSE ANTONIO R. SY-ALVARADO

**AN ACT ADJUSTING THE SALARY SCHEDULE OF CIVILIAN PERSONNEL IN
THE GOVERNMENT, AND FOR OTHER PURPOSES**

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

**ARTICLE I
GENERAL PROVISIONS**

SECTION 1. This Act shall be known as the "Salary Standardization Law V"

SECTION 2. Declaration of Policy. – Pursuant to the constitutional mandate that the State shall provide for the standardization of salary of government officials and employees, including those in government-owned or controlled corporations with original charters, taking into account the nature of duties and responsibilities pertaining to and the qualifications required for their positions, the State shall:

- a) Implement a salary schedule that is generally comparable with those in the private sector doing comparable work and in accordance with the provisions of existing salary and position classification laws, in order to attract, retain and motivate a corps of competent civil servants;
- b) Keep the salary for government personnel fair and reasonable in recognition of fiscal realities and maintain personal services cost at a reasonable proportion of over-all expenditures; and
- c) Conduct a periodic review of the salary and position classification system taking into account the changes in skills and competency requirements and the possible erosion in the purchasing power due to inflation, and other factors.

SECTION 3. Coverage. The Salary Schedule herein provided shall apply to all positions for civilian government personnel in the Executive, Legislative, and Judicial Branches, including Constitutional Commissions, State Universities and Colleges (SUCs), Government-owned or Controlled Corporation (GOCCs) not covered by RA no. 10149, Government Financial Institutions (GFIs) and Local Government Units (LGUs), whether regular, casual or contractual in nature, appointive or elective, on full-time or part-time basis, now existing or hereafter created.

- a) Implement a salary schedule that is generally comparable with those in the private sector doing comparable work and in accordance with the provisions of existing salary and position classification laws, in order to attract, retain and motivate a corps of competent civil servants;
- b) Keep the salary for government personnel fair and reasonable in recognition of fiscal realities and maintain personal services cost at a reasonable proportion of over-all expenditures; and
- c) Conduct a periodic review of the salary and position classification system taking into account the changes in skills and competency requirements and the possible erosion in the purchasing power due to inflation, and other factors.

SECTION 4. Coverage. The Salary Schedule herein provided shall apply to all positions for civilian government personnel in the Executive, Legislative, and Judicial Branches, including Constitutional Commissions, State Universities and Colleges (SUCs), Government-owned or Controlled Corporation (GOCCs)

SECTION 4. Salary Schedule for Civilian Government Personnel. The modified Salary Schedule for Civilian Personnel shall be as follows:

First Tranche

SG	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	12,175	12,276	12,379	12,483	12,587	12,692	12,799	12,905
2	12,937	13,036	13,136	13,237	13,339	13,441	13,544	13,648
3	13,713	13,818	13,924	14,032	14,139	14,247	14,357	14,467
4	14,535	14,648	14,760	14,873	14,988	15,102	15,219	15,335
5	15,408	15,527	15,645	15,765	15,886	16,008	16,132	16,255
6	16,332	16,457	16,584	16,711	16,840	16,969	17,100	17,230
7	17,312	17,445	17,579	17,714	17,850	17,987	18,125	18,264
8	18,434	18,601	18,769	18,939	19,109	19,282	19,457	19,633
9	19,773	19,938	20,105	20,273	20,442	20,613	20,786	20,959
10	21,156	21,333	21,512	21,692	21,872	22,056	22,240	22,426
11	22,829	23,142	23,460	23,781	24,107	24,438	24,772	25,112
12	25,232	25,544	25,861	26,181	26,506	26,835	27,167	27,503
13	27,755	28,100	28,447	28,799	29,157	29,517	29,883	30,253
14	30,531	30,909	31,292	31,680	32,072	32,469	32,871	33,278
15	33,584	34,000	34,421	34,848	35,279	35,716	36,158	36,607
16	36,942	37,400	37,863	38,332	38,807	39,288	39,775	40,267
17	40,636	41,140	41,649	42,165	42,688	43,217	43,751	44,294
18	44,701	45,254	45,815	46,382	46,957	47,539	48,127	48,723
19	49,796	50,609	51,435	52,274	53,128	53,995	54,877	55,772
20	56,271	57,188	58,122	59,070	60,035	61,015	62,010	63,022
21	63,586	64,623	65,678	66,749	67,839	68,946	70,071	71,215
22	71,851	73,024	74,216	75,427	76,658	77,910	79,181	80,473
23	81,192	82,517	83,864	85,232	86,624	88,037	89,474	90,935
24	91,747	93,244	94,766	96,313	97,885	99,483	101,107	102,757
25	104,591	106,299	108,033	109,797	111,588	113,410	115,261	117,142
26	118,188	120,117	122,078	124,070	126,095	128,153	130,244	132,371
27	133,552	135,732	137,948	140,199	142,487	144,813	147,177	149,579
28	150,915	153,377	155,881	158,425	161,010	163,639	166,310	169,024
29	170,533	173,317	176,145	179,021	181,942	184,912	187,930	190,997
30	192,702	195,847	199,044	202,293	205,594	208,951	212,361	215,827
31	283,590	289,128	294,776	300,533	306,404	312,388	318,490	324,710
32	338,102	344,920	351,876	358,972	366,211	373,596	381,131	388,817
33	426,906	439,713	452,447	468,799	484,157	499,517	514,881	530,217

Second Tranche

SG	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	13,392	13,504	13,617	13,731	13,846	13,961	14,078	15,012
2	14,231	14,340	14,450	14,561	14,672	14,785	17,899	15,012
3	15,084	15,200	15,316	15,435	15,553	15,672	15,793	15,914
4	15,989	16,112	16,236	16,360	16,486	16,612	16,740	16,869
5	16,948	17,079	17,210	17,342	17,475	17,609	17,745	17,880
6	17,965	18,103	18,242	18,382	18,524	18,665	18,809	18,953
7	19,043	19,189	19,337	19,486	19,635	19,786	19,937	20,091

Second Tranche

8	20,277	20,461	20,646	20,833	21,020	21,402	21,402	21,596
9	21,750	21,931	22,115	22,300	22,487	22,864	22,864	23,055
10	23,272	23,467	23,663	23,861	24,060	24,464	24,464	24,668
11	25,112	25,456	25,806	26,159	26,517	26,881	27,249	27,623
12	27,755	28,099	28,447	28,799	29,156	29,518	29,883	30,254
13	30,531	30,909	31,292	31,679	32,072	32,469	32,871	33,279
14	33,584	34,000	34,421	34,848	35,279	35,716	36,158	36,606
15	36,943	37,400	37,863	38,333	38,807	39,287	39,774	40,268
16	40,637	41,140	41,649	42,165	42,688	43,216	43,752	44,293
17	44,700	45,254	45,814	46,382	46,956	47,538	48,127	48,723
18	49,171	49,779	50,397	51,020	51,652	52,293	52,940	53,596
19	54,775	55,670	56,578	57,502	58,441	59,394	60,364	61,349
20	61,898	62,907	63,934	64,977	66,038	67,116	68,211	69,325
21	69,944	71,085	72,245	73,424	74,623	75,840	77,078	78,337
22	79,036	80,326	81,637	82,970	84,324	85,701	87,099	88,520
23	89,311	90,768	92,250	93,756	95,286	96,841	98,421	100,028
24	100,921	102,568	104,243	105,944	107,673	109,431	111,217	113,032
25	115,050	116,928	118,837	120,776	122,747	124,751	126,787	128,857
26	130,007	132,128	134,286	136,477	138,705	140,969	143,269	145,608
27	146,907	149,306	151,742	154,219	156,736	159,294	161,894	164,537
28	166,006	168,715	171,469	174,268	177,111	180,003	182,941	185,926
29	187,586	190,649	193,760	196,923	200,136	203,403	206,722	210,097
30	211,973	215,432	218,948	222,523	226,154	229,846	233,597	237,409
31	311,949	318,041	324,253	330,587	337,044	343,627	350,339	357,181
32	371,912	379,412	387,063	394,869	402,832	410,856	419,244	427,699
33	469,596	483,684						

Third tranche

SG	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	14,732	14,854	14,979	15,104	15,231	15,357	15,486	15,615
2	15,654	15,774	15,895	16,017	16,140	16,263	16,389	16,514
3	16,592	16,720	16,848	16,978	17,109	17,239	17,372	17,505
4	17,588	17,724	17,859	17,996	18,135	18,273	18,414	18,555
5	18,643	18,787	18,931	19,076	19,222	19,370	19,519	19,668
6	19,761	19,913	20,066	20,221	20,376	20,532	20,690	20,849
7	20,947	21,108	21,271	21,434	21,598	21,765	21,931	22,100
8	22,305	22,507	22,711	22,916	23,122	23,331	23,543	23,756
9	23,925	24,124	24,327	24,530	24,735	24,942	25,151	25,361
10	25,599	25,813	26,029	26,247	26,466	26,688	26,910	27,135
11	27,624	28,002	28,386	28,775	29,169	29,569	29,974	30,385
12	30,530	30,908	31,292	31,679	32,072	32,470	32,872	33,279
13	33,584	34,000	34,421	34,847	35,279	35,716	36,158	36,606
14	36,942	37,400	37,863	38,333	38,807	39,287	39,774	40,267
15	40,637	41,140	41,650	42,166	42,688	43,216	43,751	44,294
16	44,700	45,254	45,814	46,381	46,956	47,538	48,128	48,723
17	49,170	49,779	50,396	51,020	51,652	52,292	52,939	53,595
18	54,088	54,757	55,436	56,122	56,652	57,522	58,234	58,955
19	60,253	61,237	62,236	63,252	64,285	65,333	66,401	67,484

20	68,087	69,197	70,327	71,475	72,642	73,828	75,032	76,257
21	76,938	78,194	79,470	80,766	82,085	83,424	84,786	86,170
22	86,940	88,358	89,801	91,267	92,756	94,271	95,809	97,372
23	98,242	99,845	101,475	103,131	104,815	106,525	108,264	110,031
24	111,013	112,825	114,667	116,538	118,440	120,374	122,339	124,742
25	126,555	128,621	130,720	132,854	135,022	137,226	139,466	141,742
26	143,008	145,341	147,714	150,125	152,575	155,065	157,596	160,169
27	161,598	164,236	166,917	169,641	172,410	175,223	178,084	180,991
28	182,607	185,587	188,616	191,695	194,822	198,004	201,235	204,519
29	206,345	209,714	213,136	216,615	220,150	223,744	227,395	231,107
30	233,170	236,975	240,843	244,775	248,769	252,830	256,956	261,150
31	343,144	349,845	356,679	363,645	370,749	377,989	385,372	392,899
32	409,103	417,354	425,770	434,356	443,115	452,052	461,169	470,469
33	516,556	532,053						

Sec. 5. Salary in Local Government Units. - The salary or wage adjustments, provided in Sec. 3 hereof shall also be applied to the LGUs in accordance with the applicable provisions of this Act.

Sec. 6. Non-diminution in the Basic Salaries of Incumbent Employees. - In no case shall there be any diminution in the basic salaries of incumbent employees upon the implementation of this Act. For this purpose, they shall receive the new salary rates prescribed herein which in no case shall be less than their existing salary rates.

Sec. 7. Compensation and Position Classification Report. - The DBM shall prepare a Compensation and Position Classification Report for all government entities in the national government; GOCCs and GFIs including exempt entities and the status of implementation thereof. The reports shall be periodically updated and submitted to Congress and the Commission on Audit for public disclosure, monitoring, compliance with established policies and as basis for future policy decisions.

Sec.8. Periodic Review of the Compensation and Position Classification System. - The DBM and Civil Service Commission shall jointly review the Compensation and Position Classification System every three (3) years, develop and recommend to the President a competitive compensation and remuneration system which shall attract and retain talent.

Sec. 9. Appropriation. – The funding sources for the amounts necessary to implement the modified Salary Schedule shall be as follows:

- (a) For national government entities, the amount necessary for the immediate implementation of this Act shall be included in the General Appropriation Act (GAA);
 - (b) For GOCC's and GIFs, the amounts shall come from their respective corporate funds in the approved corporate operating budgets. Government corporations which do not have adequate or sufficient funds shall only partially implement the established rates; *Private*, 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 rules funds in accordance with the pertinent provisions of this Act and Republic Act No. 7160.

Sec. 10. Implementation Schedule. – The modified Salary Schedule as provided herein shall be implemented in National Government Agencies as follows, subject to appropriations by Congress:

- a. Starting January 1, 2020, the first tranche schedule for civilian personnel;
- b. By January 1, 2021, the second tranche schedule for civilian personnel; and
- c. By January 1, 2022, the third tranche schedule for civilian personnel

For GOCCs, GFIs and LGUs, the implementation period shall be for not more than three (3) years depending on their financial capability, with each tranche starting not earlier than the dates stated above. GOCCs, GFIs and LGUs which do not have adequate or sufficient funds shall partially implement the modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at uniform percentage across all positions for every GOCC, GFI and LGU. (for every GOCC, GFI and LGU shall be charged against their respective local government rules funds in accordance with the pertinent provisions of this Act)

Sec. 11. Implementing Rules and Guidelines. – The DBM and GCG shall, within sixty (60) days after the approval of this Act, jointly prepare and issue the necessary guidelines to implement the same.

Sec. 12. General Repealing and Amendatory Clause. – All provisions of laws, decrees, executive orders, corporate charters, implementing rules and regulations, circulars, and other issuances prescribing salary grades for government officials and employees which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Sec. 13. Separability Clause. – If any provision of this Act is subsequently declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

Sec. 14. Effectivity Clause. – The Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,

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