

EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session



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19 NOV -4 P2:51

SENATE

RECEIVED BY: J

S. B. NO. 1136

Introduced by SENATOR JOEL VILLANUEVA

AN ACT INCREASING THE SALARY OF CIVILIAN GOVERNMENT PERSONNEL AND FOR OTHER PURPOSES

EXPLANATORY NOTE

According to the Civil Service Commission, there are a total of 1,728,641 career and non-career civil service personnel as of May 31, 2019.¹ These employees stand to benefit from the passage of this bill, which aims to increase the salaries of civilian government personnel by providing an average increase of 10% to the annual salary of the government employees, to be implemented in three tranches starting from 2020 to 2022. This bill seeks to improve the spending power of ordinary government employees whose spending power has been eroded by inflation, which increased to as high as 6.7% in September and October 2018.²

This bill covers all civilian government personnel, including the Executive, Legislative, Judiciary, government-owned and controlled corporations (GOCCs), government financial institutions (GFIs) and local government units (LGUs), except those government institutions that have their own salary structure provided under other laws. In order to ensure that salaries in the public sector remain competitive, this bill also mandates the Department of Budget and Management (DBM) and the Civil Service Commission (CSC) to jointly review the Compensation and Position Classification System every three years and develop and recommend to the President a competitive compensation and remuneration system.

¹ Inventory of Government Human Resources (IGHR) Career and Non-Career as of May 31, 2019, at p. 1. Available at <file:///Users/earlalangit/Downloads/IGHR%20Report%20Career%20and%20Non%20Career%20as%20of%20May312019%20Final.pdf> (date last accessed: October 21, 2019).

² Summary Inflation Report of Consumer Price Index (2012=100): January 2019. Available at <https://psa.gov.ph/statistics/survey/price/summary-inflation-report-consumer-price-index-2012100-january-2019> (date last accessed: October 21, 2019).

The passage of this bill will not only benefit public sector employees, but the whole bureaucracy itself since it would increase the competitiveness of the government in attracting and retaining talented employees, as well as increase employee satisfaction thereby increasing employee performance towards a more service-oriented and vigorous public service.

Thus, the immediate passage of this bill is earnestly sought.



SENATOR JOEL VILLANUEVA

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Salary
2 Standardization Law V.”

3 **SEC. 2. Declaration of Policy.** – The State recognizes the need to attract the
4 best and the brightest individuals to government service through the creation
5 of a compensation system that recognizes their skills and contributions to
6 nation building. For this purpose, the State shall provide a salary schedule
7 that aims to make sufficient distinctions among government employees based
8 on their duties and qualifications, create a method of compensation that offers
9 rates that are competitive with private sector counterparts, and provide a
10 means of livelihood for civilian government personnel that will enable them to
11 serve the nation to their full capacity.

12 **SEC. 3. Coverage.** – The modified schedule of salary grades and increases
13 provided herein shall apply to all civilian government personnel in all branches
14 of government, including, but not limited to the Executive, Legislative,
15 Judiciary, Government Owned and Controlled Corporations (GOCCs),
16 Government Financial Institutions (GFIs) and Local Government Units (LGUs);
17 *Provided*, That the basic pay of barangay personnel shall be in the form of
18 honoraria which shall be a percentage of the Salary Schedule corresponding
19 to the income classification of the LGU.

20 The rates herein shall apply to all kinds of employees or officers, whether
21 regular, casual, contractual, appointive, elective, full-time, part-time, whether
22 existing or created after the passage of this law.

1 *Provided*, That the salary schedule under this law shall not apply to
2 government agencies or institutions with their own salary structure provided
3 under other laws or rules which provide better rates and benefits other than
4 those stated herein: *Provided further*, That the individuals serving under job
5 orders, contract of service arrangements, consultancy agreements, or other
6 arrangements with no employer-employee relationship are excluded from
7 availing of the benefits of this law.

8
9 **SEC. 4. Salary Schedule of Civilian Government Personnel.** – The salary
10 schedule of civilian government personnel shall be arranged as follows:

11
12 **First Tranche**

SG	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	15,475	15,576	15,679	15,783	15,887	15,992	16,099	16,205
2	16,237	16,336	16,436	16,537	16,639	16,741	16,844	16,948
3	17,013	17,118	17,224	17,332	17,439	17,547	17,657	17,767
4	17,835	17,948	18,060	18,173	18,288	18,402	18,519	18,635
5	18,708	18,827	18,945	19,065	19,186	19,308	19,432	19,555
6	19,632	19,757	19,884	20,011	20,140	20,269	20,400	20,530
7	20,612	20,745	20,879	21,014	21,150	21,287	21,425	21,564
8	21,734	21,901	22,069	22,239	22,409	22,582	22,757	22,933
9	23,073	23,238	23,405	23,573	23,742	23,913	24,086	24,259
10	24,456	24,633	24,812	24,992	25,172	25,356	25,540	25,726
11	26,129	26,442	26,760	27,081	27,407	27,738	28,072	28,412
12	28,532	28,844	29,161	29,481	29,806	30,135	30,467	30,803
13	31,055	31,400	31,747	32,099	32,457	32,817	33,183	33,553
14	33,831	34,209	34,592	34,980	35,372	35,769	36,171	36,578
15	36,884	37,300	37,721	38,148	38,579	39,016	39,458	39,907
16	40,242	40,700	41,163	41,632	42,107	42,588	43,075	43,567
17	43,936	44,440	44,949	45,465	45,988	46,517	47,051	47,594
18	48,001	48,554	49,115	49,682	50,257	50,839	51,427	52,023
19	53,096	53,909	54,735	55,574	56,428	57,295	58,177	59,072
20	59,571	60,488	61,422	62,370	63,335	64,315	65,310	66,322
21	66,886	67,923	68,978	70,049	71,139	72,246	73,371	74,515
22	75,151	76,324	77,516	78,727	79,958	81,210	82,481	83,773
23	84,492	85,817	87,164	88,532	89,924	91,337	92,774	94,235
24	95,047	96,544	98,066	99,613	101,185	102,783	104,407	106,057
25	107,891	109,599	111,333	113,097	114,888	116,710	118,561	120,442
26	121,488	123,417	125,378	127,370	129,395	131,453	133,544	135,671
27	136,852	139,032	141,248	143,499	145,787	148,113	150,477	152,879
28	154,215	156,677	159,181	161,725	164,310	166,939	169,610	172,324
29	173,833	176,617	179,445	182,321	185,242	188,212	191,230	194,297
30	196,002	199,147	202,344	205,593	208,894	212,251	215,661	219,127
31	286,890	292,428	298,076	303,833	309,704	315,688	321,790	328,010
32	341,402	348,220	355,176	362,272	369,511	376,896	384,431	392,117
33	430,206	443,013	-	-	-	-	-	-

13 **Second Tranche**

SG	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	16,692	16,804	16,917	17,031	17,146	17,261	17,378	17,496
2	17,531	17,640	17,750	17,861	17,972	18,085	18,199	18,312
3	18,384	18,500	18,616	18,735	18,853	18,972	19,093	19,214
4	19,289	19,412	19,536	19,660	19,786	19,912	20,040	20,169

5	20,248	20,379	20,510	20,642	20,775	20,909	21,045	21,180
6	21,265	21,403	21,542	21,682	21,824	21,965	22,109	22,253
7	22,343	22,489	22,637	22,786	22,935	23,086	23,237	23,391
8	23,577	23,761	23,946	24,133	24,320	24,510	24,702	24,896
9	25,050	25,231	25,415	25,600	25,787	25,974	26,164	26,355
10	26,572	26,767	26,963	27,161	27,360	27,562	27,764	27,968
11	28,412	28,756	29,106	29,459	29,817	30,181	30,549	30,923
12	31,055	31,399	31,747	32,099	32,456	32,818	33,183	33,554
13	33,831	34,209	34,592	34,979	35,372	35,769	36,171	36,579
14	36,884	37,300	37,721	38,148	38,579	39,016	39,458	39,906
15	40,243	40,700	41,163	41,633	42,107 ¹	42,587	43,074	43,568
16	43,937	44,440	44,949	45,465	45,988	46,516	47,052	47,593
17	48,000	48,554	49,114	49,682	50,256	50,838	51,427	52,023
18	52,471	53,079	53,697	54,320	54,952	55,593	56,240	56,896
19	58,075	58,970	59,878	60,802	61,741	62,694	63,664	64,649
20	65,198	66,207	67,234	68,277	69,338	70,416	71,511	72,625
21	73,244	74,385	75,545	76,724	77,923	79,140	80,378	81,637
22	82,336	83,626	84,937	86,270	87,624	89,001	90,399	91,820
23	92,611	94,068	95,550	97,056	98,586	100,141	101,721	103,328
24	104,221	105,868	107,543	109,244	110,973	112,731	114,517	116,332
25	118,350	120,228	122,137	124,076	126,047	128,051	130,087	132,157
26	133,307	135,428	137,586	139,777	142,005	144,269	146,569	148,908
27	150,207	152,606	155,042	157,519	160,036	162,594	165,194	167,837
28	169,306	172,015	174,769	177,568	180,411	183,303	186,241	189,226
29	190,886	193,949	197,060	200,223	203,436	206,703	210,022	213,397
30	215,273	218,732	222,248	225,823	229,454	233,146	236,897	240,709
31	315,249	321,341	327,553	333,887	340,344	346,947	353,639	360,481
32	375,212	382,712	390,363	398,169	406,132	414,256	422,544	430,999
33	472,896	486,984	-	-	-	-	-	-

1 Third Tranche

SG	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	18,132	18,254	18,379	18,504	18,631	18,757	18,886	19,015
2	19,054	19,174	19,295	19,417	19,540	19,663	19,789	19,914
3	19,992	20,120	20,248	20,378	20,509	20,639	20,772	20,905
4	20,988	21,124	21,259	21,396	21,535	21,673	21,814	21,955
5	22,043	22,187	22,331	22,476	22,622	22,770	22,919	23,068
6	23,161	23,313	23,466	23,621	23,776	23,932	24,090	24,249
7	24,347	24,508	24,671	24,834	24,998	25,165	25,331	25,500
8	25,705	25,907	26,111	26,316	26,522	26,731	26,943	27,156
9	27,325	27,524	27,727	27,930	28,135	28,342	28,551	28,761
10	28,999	29,213	29,429	29,647	29,866	30,088	30,310	30,535
11	31,024	31,402	31,786	32,175	32,569	32,969	33,374	33,785
12	33,930	34,308	34,692	35,079	35,472	35,870	36,272	36,679
13	36,984	37,400	37,821	38,247	38,679	39,116	39,558	40,006
14	40,342	40,800	41,263	41,733	42,207	42,687	43,174	43,667
15	44,037	44,540	45,050	45,566	46,088	46,616	47,151	47,694
16	48,100	48,654	49,214	49,781	50,356	50,938	51,528	52,123
17	52,570	53,179	53,796	54,420	55,052	55,692	56,339	56,995
18	57,488	58,157	58,836	59,522	60,218	60,922	61,634	62,355
19	63,653	64,637	65,636	66,652	67,685	68,733	69,801	70,884
20	71,487	72,597	73,727	74,875	76,042	77,228	78,432	79,657
21	80,338	81,594	82,870	84,166	85,485	86,824	88,186	89,570

22	90,340	91,758	93,201	94,667	96,156	97,671	99,209	100,772
23	101,642	103,245	104,875	106,531	108,215	109,925	111,664	113,431
24	114,413	116,225	118,067	119,938	121,840	123,774	125,739	127,735
25	129,955	132,021	134,120	136,254	138,422	140,626	142,866	145,142
26	146,408	148,741	151,114	153,525	155,975	158,465	160,996	163,569
27	164,998	167,636	170,317	173,041	175,810	178,623	181,484	184,391
28	186,007	188,987	192,016	195,095	198,222	201,404	204,635	207,919
29	209,745	213,114	216,536	220,015	223,550	227,144	230,795	234,507
30	236,570	240,375	244,243	248,175	252,169	256,230	260,356	264,550
31	346,544	353,245	360,079	367,045	374,149	381,389	388,772	396,299
32	412,503	420,754	429,170	437,756	446,515	455,452	464,569	473,869
33	519,956	535,453	-	-	-	-	-	-

1
2 **SEC. 5. Implementation Period.** – The salary schedule provided under
3 Section 4 herein shall be implemented in three tranches as follows:

- 4
5 a) The first tranche shall be implemented on January 1, 2020;
6
7 b) The second tranche shall be implemented on January 1, 2021; and
8
9 c) The third tranche shall be implemented on January 1, 2022.

10
11 Notwithstanding anything to the contrary, the implementation period of the
12 increase in salary provided under this Act shall be within three years from the
13 passage of this law for covered GOCCs, LGUs, and GFIs; *Provided*, That the
14 implementation shall be done according to the order of the implementation as
15 provided under paragraphs (a), (b), and (c) of this Section, with each tranche
16 starting not earlier than the dates stated above; *Provided further*, That the
17 implementation of the schedule shall only be done if the institution is
18 financially capable; *Provided finally*, That if the GOCC, GFI or LGU does not
19 have adequate funds to fully implement the increase provided herein, the
20 same shall partially implement the modified Salary Schedule in accordance
21 with a uniform percentage across all positions within the institution concerned
22 and according to the level of their available funds.

23
24 **SEC. 6. Non-Diminution of Basic Salaries.** – Nothing herein shall result in
25 the diminution of the basic salaries of incumbent employees upon the
26 implementation of this Act.

27
28 **SEC. 7. Compensation and Position Classification Report.** – The
29 Department of Budget and Management (DBM) shall prepare a
30 Compensation and Position Classification Report for all government entities in
31 the national government, GOCCs, and GFIs, including exempt entities, and
32 the status of implementation thereof. The Report shall be periodically
33 updated and submitted to Congress and the Commission on Audit for public
34 disclosure, monitoring, and as basis for future policy decisions.

35
36 **SEC. 9. Periodic Review of the Compensation and Position**
37 **Classification System.** – The DBM and the Civil Service Commission (CSC)
38 shall jointly review the Compensation and Position Classification System

1 every three years and develop and recommend to the President a competitive
2 compensation and remuneration system which shall attract and retain the best
3 talent available in the country.

4

5 **SEC. 10. Appropriations.** – The amounts necessary to implement the
6 modified Salary Schedule shall be sourced from the following:

- 7
- 8 a) For national government entities, the amount necessary for the
9 immediate implementation of this Act shall be appropriated from the
10 General Appropriations Act (GAA);
11
- 12 b) For covered GOCCs and GFIs, the amounts necessary to cover the
13 implementation of this Act shall come from their respective corporate
14 funds in the approved corporate operating budgets. Government
15 corporations which do not have adequate or sufficient funds shall only
16 partially implement the salary rates herein: *Provided*, That any partial
17 implementation shall be implemented based on a uniform percentage of
18 the increase provided herein; and
19
- 20 c) For LGUs, the amounts to cover implementation of this Act shall be
21 charged against their respective local government funds in accordance
22 with the pertinent provisions of this Act and Republic Act No. 7160,
23 otherwise known as the Local Government Code of 1991.
24

25 **SEC. 11. Implementing Rules and Guidelines.** – Within sixty (60) days after
26 the effectivity of this Act, the DBM, CSC and the Governance Commission on
27 GOCCs, in consultation with relevant stakeholders, shall formulate the rules
28 and regulations to effectively implement the provisions of this Act.
29

30 **SEC. 12. Separability Clause.** – Any portion or provisions of this Act that
31 may be declared unconstitutional or invalid shall not have the effect of
32 nullifying other portions and provisions hereof as long as such remaining
33 portions or provisions can still subsist and be given effect in their entirety.
34

35 **SEC. 13. Repealing Clause.** – All laws, decrees, executive orders,
36 proclamations and administrative regulations, or any parts thereof inconsistent
37 with the provisions of this Act herewith are hereby revoked, repealed or
38 modified accordingly.
39

40 **SEC. 14. Effectivity Clause.** – This Act shall take effect fifteen (15) days
41 after its publication in at least two (2) national papers of general circulation or
42 in the Official Gazette.
43

44 **Approved,**