



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

BUDGET CIRCULAR

No. 2018 - 3
July 30, 2018

TO : All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, Including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG), State Universities and Colleges (SUCs), Government-Owned or -Controlled Corporations (GOCCs), Local Government Units (LGUs), and All Others Concerned

SUBJECT : GUIDELINES ON THE RECLASSIFICATION OF POSITIONS

1.0 Purpose

This Circular is issued to amend the guidelines on the reclassification of positions as part of the mandate of the Department of Budget and Management (DBM) to administer and maintain the Compensation and Position Classification System (CPCS) in the government.

2.0 Coverage, Exclusion and Prohibition

- 2.1 Reclassification of positions shall apply only to *filled regular positions* in the national government covered by or following the CPCS established under Republic Act (RA) No. 6758¹, as amended.
- 2.2 Reclassification of positions shall not apply in the case of casual and contractual positions in view of their limited tenure.
- 2.3 The reclassification of filled positions in local government units is prohibited in view of Section 325 (f) of RA. No. 7160², s. 1991.

¹ "An Act Prescribing a Revised Compensation and Position Classification System in the Government and for Other Purposes" dated August 21, 1989

² The Local Government Code of 1991 dated October 10, 1991

3.0 Class Categories

Pursuant to Section (3)(a) of Congress Joint Resolution No. 4, s. 2009³, the classes of positions under the CPCS shall be categorized as follows:

- 3.1 ***Sub-Professional category*** - This category includes positions involved in structured work in support of office operations or those engaged in crafts, trades, manual or clerical work.
- 3.2 ***Professional category*** - This category includes positions performing work requiring the exercise of profession or application of knowledge acquired through formal training in a particular field or the exercise of a natural, creative and artistic ability or talent in arts and letters. Also included in this category are positions involved in research and application of professional knowledge and methods to a variety of technological, economic, social, industrial, and governmental functions.
- 3.3 ***Executive category*** - This category includes managerial positions involved in the execution of laws, rules and regulations, in the legislation of laws and ordinances, and in the administration of justice.

4.0 Guidelines

- 4.1 ***Reclassification*** is a form of staffing modification or position classification action which is applied only when there is warranted substantial change in the regular duties of the incumbent of the position.

It generally involves a change in any or all of the position attributes, i.e., *position title, salary grade or position level*. However, if the salary grade of the position is maintained, the staffing/classification action is deemed a ***retitling***, provided that the new position title belongs to the same occupational group.

Reclassification of positions shall be subject to approval of the DBM.

- 4.2 Reclassification may be applied in the following cases:
 - 4.2.1 There are changes in the level/category of the government entity which will bear on the level of key positions;
 - 4.2.2 There are changes in the quantitative and other factors used in determining the appropriate position and level in accordance with existing position classification standards;

³ "Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for Other Purposes" dated July 28, 2008

- 4.2.3 The reclassification of a position is provided by law or Presidential authority; or
- 4.2.4 Other meritorious cases as may be determined by the DBM.
- 4.3 The following are the only instances when reclassification is based on the qualification of the incumbent:
- 4.3.1 Implementation of the Equivalents Record Forms (ERFs) of teachers pursuant to Section 14 of Presidential Decree No. 985, as implemented by DBM Circular Letter No. 84-4 dated May 30, 1984 and Budget Circular No. 2004-1 dated January 23, 2004;
- 4.3.2 Implementation of the Master Teachers career path provided under Executive Order No. 500 dated March 21, 1978, as implemented by National Budget Circular (NBC) No. 303 dated April 10, 1979 and National Compensation Circular No. 24 dated May 20, 1983; and
- 4.3.3 Implementation of NBC No. 461 dated June 1, 1998 for faculty members of SUCs, higher education institutions, and TESDA technical education institutions, and of NBC No. 308 dated May 28, 1979 in the case of faculty members of the University of the Philippines System and the Mindanao State University System.
- 4.4 A position may be reclassified only within the *same class category*, as described under Item 3.0 of this Circular.
- Accordingly, the previous policy which allows reclassification to a different class category *is hereby rescinded*.
- 4.5 The reclassification may involve an upward or downward change in the classification of a position, but *not to exceed one (1) position level*⁴, except those enumerated under Items 4.2.1 to 4.2.3 and 4.3 of this Circular.

⁴ A series of positions usually consists of four (4) to six (6) position levels, for example:

POSITION LEVEL	CLASS CATEGORY		
	Sub- Professional	Professional	
Entrance	Laborer I	Economist I	Budget and Management Analyst
Journeyman (1 st Level)	Laborer II	Economist II	Budget and Management Specialist I
Journeyman (2 nd Level)			Budget and Management Specialist II
Participating Supervisor/Senior	Labor Foreman	Economist III	Senior Budget and Management Specialist
Supervisory/General Foreman	Labor General Foreman	Economist IV	Supervising Budget and Management Specialist
Chief of Division		Economist V	Chief Budget & Management Specialist

- 4.6 To preserve meritocracy and fitness in the civil service, a position may be reclassified only if the present incumbent *fully meets the qualification standards* prescribed by the Civil Service Commission (CSC) for the position, as reclassified.
- 4.7 The reclassification shall not result in a distortion in the hierarchy and mix of positions in the staffing pattern nor in the organizational structure, not only within the unit where said position is deployed, but also among equivalent or parallel units in the agency.
- 4.8 The following shall not be used as bases for the reclassification of position:
- 4.8.1 New duties/assignments which are temporary in nature;
 - 4.8.2 Non-performance of the regular duties and responsibilities of a position by reason of the incumbent's inability or incompetence; and
 - 4.8.3 Qualifications of the incumbent except those enumerated under 4.3 of this Circular.
- 4.9 Reclassification shall not apply to vacant regular positions which necessitate changes in their position titles for being under any of the instances cited in Item 4.2 of this Circular. Instead, the *conversion* of positions shall be effected, i.e., the items shall be abolished and in their stead, the appropriate positions shall be created.
- 4.10 Agency proposals for reclassification of positions, as endorsed by the respective agency head, shall be submitted to the DBM Bureau or Regional Office concerned, together with the following documents:
- 4.10.1 Duly accomplished Position Description Form (PDF), including the Unique Item No. of the position to be reclassified per latest Personnel Services Itemization and Plantilla of Personnel (PSIPoP);
 - 4.10.2 Statement of functions of the unit where the position belongs;
 - 4.10.3 Justification for the reclassification of positions;
 - 4.10.4 A certification that the incumbent fully meets the qualification standards set by the CSC for the position as reclassified;
 - 4.10.5 If no amount is appropriated specifically for the reclassification of positions, identification of vacant positions to be offered for abolition which shall be used as funding source for said purpose in accordance with the "*scrap and build*" policy; and

4.10.6 Other documents that DBM may require in the evaluation of proposals.

4.11 Agencies which have been granted budget flexibilities by the DBM may reclassify filled positions provided, that, the incumbents fully meet the CSC's qualification standards requirement for the positions, as reclassified; such are in accordance with position classification standards; and such are within their budget management authorities. Any additional funding requirement shall be sourced out of the abolition of vacant positions. If found in order, the DBM shall issue the corresponding Notice of Organization, Staffing and Compensation Action to formalize the change in the agency staffing pattern. However, if upon review the reclassification actions made by the agencies are not in order, the DBM reserves the right to make modifications therein.

5.0 Resolution of Cases

Cases not covered by the provisions of this Circular shall be referred to the DBM for resolution.

6.0 Repealing Clause

This Circular repeals and supersedes Budget Circular No. 2005-5⁵ dated August 16, 2005.

7.0 Effectivity

This Circular shall take effect immediately.


BENJAMIN E. DIOKNO
Secretary



⁵ *"Reclassification of Positions"*