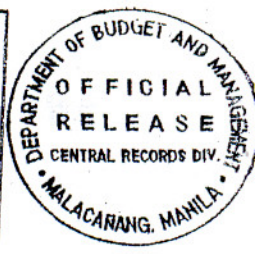




REPUBLIC OF THE PHILIPPINES  
Department of Budget and Management  
Malacañang, Manila

Organization, Position Classification and Compensation Bureau (OPCCB)  
Received  
1-29-2004  
Date



**BUDGET CIRCULAR**

No. 2004 - 1  
January 23, 2004

2004  
1/28

**TO :** THE SECRETARY OF EDUCATION; DepEd REGIONAL DIRECTORS; SCHOOLS DIVISION SUPERINTENDENTS; and ALL OTHERS CONCERNED

**SUBJECT :** GUIDELINES ON AUTOMATIC UPGRADING OF ELIGIBLE PUBLIC SCHOOL TEACHERS THROUGH THE EQUIVALENTS RECORD FORM SCHEME

**1.0 Purpose**

This Circular is being issued to prescribe guidelines for the implementation of the automatic position upgrading of eligible public school teachers.

**2.0 Rationale**

Section 14 of Presidential Decree (PD) No. 985 (re: A Decree Revising the Position Classification and Compensation Systems in the National Government and Integrating the Same) provides for the salary system for teaching positions. Item (a) thereof stipulates that under the Teachers' Preparation Pay Schedule, the teacher's academic or educational preparation, teaching experience in both private and public schools, and extra-curricular activities for professional growth, shall be considered in pursuance of the principle of "equal pay for equal training and experience." PD 985 directs the DepEd, in consultation with this Department to establish "equivalents" to the basic preparation requisites and define the "areas of equivalents" and their corresponding units or points. This was implemented through the Equivalents Records Form (ERF) Scheme.

However, it has been observed that there are teachers who have remained as Teacher I despite having served in the same position for more than twenty (20) years. It is possible that many teachers are unaware of the opportunities offered by the ERF scheme or are daunted by the documentary requirements.

There is therefore a need to prescribe the guidelines to provide for the automatic position upgrading of the eligible public school teachers.

*RM*



### 3.0 Coverage

All incumbents of Teacher I positions who have rendered twenty (20) or more years satisfactory teaching service which were not credited in the computation of step increment due to length of service as provided under Joint CSC-DBM Circular No. 1, s. 1990.

### 4.0 Definition of Terms

As used in this Circular the following shall mean:

- 4.1 Present Salary – the actual basic salary of the incumbent of a Teacher I position as of the date the ERF for the automatic upgrading is filed exclusive of Personnel Economic Relief Allowance (PERA), Additional Compensation (ADCOM), Christmas Bonus and cash gift, honoraria and any other forms of additional compensation usually paid in addition to basic salary **but inclusive of transition allowance**, if any.
- 4.2 Equivalent Record Form (ERF) – a document indicating the educational preparation, training, teaching experience and extra-curricular activities for professional growth undertaken by a teacher. It is used to validate the classification level of teachers covered by the Teachers' Pay Preparation Schedule (TPPS).
- 4.3 Automatic Position Upgrading – The change in position title and the salary adjustment given to incumbents of Teacher I positions who have rendered twenty (20) or more years satisfactory teaching service.
- 4.4 Transition Allowance – the excess of the present salary over the eighth step of the salary grade allocation of the employee's position.

### 5.0 Guidelines

- 5.1 For purposes of upgrading as provided in this Circular, the filing of the ERF shall be initiated by the schools division (SD) concerned which shall be held responsible for such filing.
  - 5.1.1 The SD identifies teachers with twenty (20) or more years of teaching experience and submits the Certification as to the names of qualified teachers and the duly certified service records of eligible teachers to the DBM ROs through the DepEd ROs on or before the cut-off dates provided in Section 7.0 hereof. The SD shall inform the teacher concerned that such submission has been made in his/her behalf.
  - 5.1.2 In case of approval, the SD shall determine whether or not the approved ERF is within the cut-off date.

5.1.2.1 In case of disapproval, the teacher shall be informed by the SD concerned.

5.1.3 If within the cut-off date the SD shall prepare a request for ERF implementation which shall be endorsed by the DepEd RO to the DBM RO concerned.

5.1.4 The DBM RO shall determine whether or not there are available funds for the implementation thereof. If there are available funds therefor, the DBM RO shall effect the modification in its database and issue a Notice of Organization, Staffing and Classification Action (NOSCA) and Special Allotment Release Order (SARO).

5.1.4.1 If none, the same shall be returned to the DepEd RO with the information that the same may be considered in the next budget cycle.

5.1.5 Upon receipt of the NOSCA, the DepEd RO shall cause the preparation of a Notice of Salary Adjustment (NOSA) and the necessary adjustment to the salary of the teachers concerned shall be made.

5.1.6 The SD shall forward the NOSA to the teacher concerned.

5.2 Attached herewith as Annex A is the flow chart in the processing of ERFs in accordance with this Circular.

5.3 The filing of the ERF of teachers who have rendered less than twenty (20) years of service but have earned 20 masteral units can be initiated by the teacher concerned.

5.4 Teachers retiring during the year are not covered by the cut-off dates. After the evaluation of the ERF by the SD and post-audit by the DepEd RO, the request shall be endorsed by the DepEd RO to the DBM RO. Then the process shall be the same as Items 5.1.4 to 5.1.6 above.

## 6.0 Salary Rules

6.1 The salary of the incumbent of a Teacher I position who qualifies for an automatic position upgrading to Teacher II shall be adjusted as follows:

6.1.1 If his/her present basic salary is below the first (1st) step of SG-11, he/she shall be given the 1<sup>st</sup> step.



Example:

If the present salary is P9,939, it shall be adjusted to P10,535, the hiring rate for Teacher II, SG-11.

- 6.1.2 If the present salary falls between the steps of SG – 11, he/she shall be allowed the next higher step.

Example:

If the present salary is P11,815, it shall be adjusted to P12,218, Step 7 of SG – 11.

- 6.2 The transition allowance as defined in 4.4 being received by the Teacher I shall be considered as advance entitlement of the salary increase herein authorized. (Illustrative Examples A and B)
- 6.3 The computation of the length of service shall include only the years of teaching experience which were not credited in the computation of step increment due to length of service as provided under Joint CSC-DBM Circular No. 1, s. 1990. (Illustrative Examples C, D and E)

## 7.0 Cut-off Dates

- 7.1 At present, there is a two-year backlog on ERF implementation such that ERFs being implemented/paid in CY 2003 are those approved as of December 31, 2001 or earlier.
- 7.2 The upgrading authorized herein shall therefore be similarly covered by the cut-off date used in the ERF implementation. The cut-off date shall not, however, apply to those who will be retiring during the year since their salary adjustments must be paid before their retirement.
- 7.3 All requests for automatic upgrading must be submitted to the DBM ROs concerned on or before April 30 of the year. Only those approved on or before April 30 shall be incorporated in the succeeding year's budget preparation.
- 7.4 The effectivity date of the salary adjustment of requests approved by the DBM Regional Offices on or before April 30 shall be on July 1 of the same year. Those approved after the cut-off date shall be on July 1 of the following year.

## 8.0 Funding Source

The amounts necessary to implement the salary adjustments authorized herein shall be charged against the lump sum appropriation for salary adjustment based on ERF. Any deficiency thereof shall be charged against personal services savings.

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## **9.0 Post-Audit**

Any salary adjustment paid under this Circular shall be subject to post-audit by this Department through the DBM – ROs concerned. Any payment which is not in accordance herewith shall be adjusted accordingly.

## **10.0 Payment of Salary Adjustments**

The SD concerned shall notify the teacher in writing of the salary adjustment through a Notice of Salary Adjustment (NOSA) in the prescribed form herein attached as Annex B.

## **11.0 Responsibility of Head of Agency**

The DepEd Regional Director/Schools Division Superintendent shall see to it that no delays shall be incurred in the implementation of the automatic upgrading of eligible public school teachers, as authorized in this Circular. The DepEd Regional Director/Schools Division Superintendent shall be responsible for the prompt submission of required certifications, relevant documents and reports as well as the evaluation of the same. They shall be held personally liable for any payment of salary adjustment which is not in accordance with this Circular.

## **12.0 Contributions**

The salary adjustments authorized herein are subject to the mandatory requirements for life and retirement premiums, and health insurance premiums.

## **13.0 Repealing Clause**

All existing circulars and other issuances which are inconsistent with the provisions of this Circular are hereby repealed and superseded accordingly.

## **14.0 Saving Clause**

Cases not covered by this Circular shall be referred to the Secretary of Budget and Management for resolution.

## **15.0 Effectivity**

This Circular Letter shall take effect January 1, 2004.



**EMILIA T. BONCODIN**  
Secretary

**ILLUSTRATIVE EXAMPLE "A"**

Example A: Where the total of Basic Salary and Transition Allowance is WITHIN the Salary Grade allocation of the position under the automatic upgrading.

EMPLOYEE : Edgardo Macaranas  
POSITION TITLE : Teacher I  
SALARY GRADE : SG-10

Thus:

1.	Adjusted Basic Salary effective July 1, 2004 SG 11, 8 <sup>th</sup> step	12,522.00
2.	Actual Basic Salary as of June 30, 2004 SG – 10, 8 <sup>th</sup> step Add: Transition Allowance	11,815.00 <u>639.00</u>
	Total	12,454.00
3.	Salary Increase per month effective July 1, 2004 (1-2)	<u>68.00</u>

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**ILLUSTRATIVE EXAMPLE "B"**

Example B: Where the total of Basic Salary and Transition Allowance is in EXCESS of the Salary Grade allocation of the position under the automatic upgrading.

EMPLOYEE : Sanchai Cruz  
POSITION TITLE : Teacher I  
SALARY GRADE : SG-10

THUS:

1.	Adjusted Basic Salary effective July 1, 2004 SG - 11, 8 <sup>th</sup> step	12,522.00
2.	Actual Basic Salary as of June 30, 2004 SG-10, 8 <sup>th</sup> step Add: Transition Allowance	11,815.00 <u>1,139.00</u>
	Total	12,954.00
3.	Salary Increase per month effective July 1, 2004 (1-2)	<u>NONE</u>

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### ILLUSTRATIVE EXAMPLE "C"

Arlene Opolento was appointed to the position of Teacher I, SG – 10, effective August 29, 1976. As of August 29, 2002, she has rendered a total of 26 years of teaching. However, she was not given any step increments for said period.

August 29, 1976 }  
August 29, 2002 } → 26 years

August 29, 2002                      Salary at SG-10, Step 1

April 15, 2004                      Approval of ERF – Automatic  
   Upgrading to SG 11/1

July 1, 2004                          Effectivity date of salary adjustment



Reckoning date of next step increment, if any.



### ILLUSTRATIVE EXAMPLE "D"

Levin Adarme was appointed to the position of Teacher I, SG – 10 effective December 22, 1970. Upon implementation of the step increment under CSC-DBM Joint Circular No. 1, s. 1990 effective January 1, 1990, he was given six (6) step increments. Thereafter, he was no longer given any step increments. Only the years of teaching which were not credited in the grant of step increment shall be considered in the automatic upgrading.

Date of Appointment        December 22, 1970

Step increment granted January 1, 1990 – 6 step increments or to the 7<sup>th</sup> step, covering the period December 22, 1970 to December 22, 1988.

December 22, 1988  To  December 22, 2008	}	—————→ 20 years
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April 20, 2008	Approval of ERF – Automatic Upgrading to SG 11/5
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July 1, 2008	Effectivity date of salary adjustment
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Note: The reckoning date for the next step increment, if any, shall be from the date the incumbent was appointed to the upgraded position. In the above case, the ERF was approved on April 20, 2008 and Mr. Adarme was appointed to the position of Teacher II effective July 1, 2008. The reckoning date for the next step increment, if any, shall be from July 1, 2008.

### ILLUSTRATIVE EXAMPLE "E"

Sheryll Grace Aromin was appointed to the position of Teacher I, SG - 10 effective June 3, 1980. For the period 1980 – 2002, she had served for 22 years and was not given any step increments for that period. For automatic upgrading, her salary is adjusted as follows:

June 3, 1980	}	→	22 years (SG 10/1)
June 3, 2002			
May 14, 2004			Approval of ERF – Automatic Upgrading to SG 11/1
July 1, 2005			Effectivity of Salary adjustment (because of cut-off date)

Note: The reckoning date for the next step increment, if any, shall be from the date the incumbent was appointed to the upgraded position. In the above case, the ERF was approved on May 14, 2004, however, since the ERF was approved after April 30, the salary adjustment shall be effective on July 1, 2004. Also, the reckoning date for the next step increment, if any, shall be from July 1, 2004.

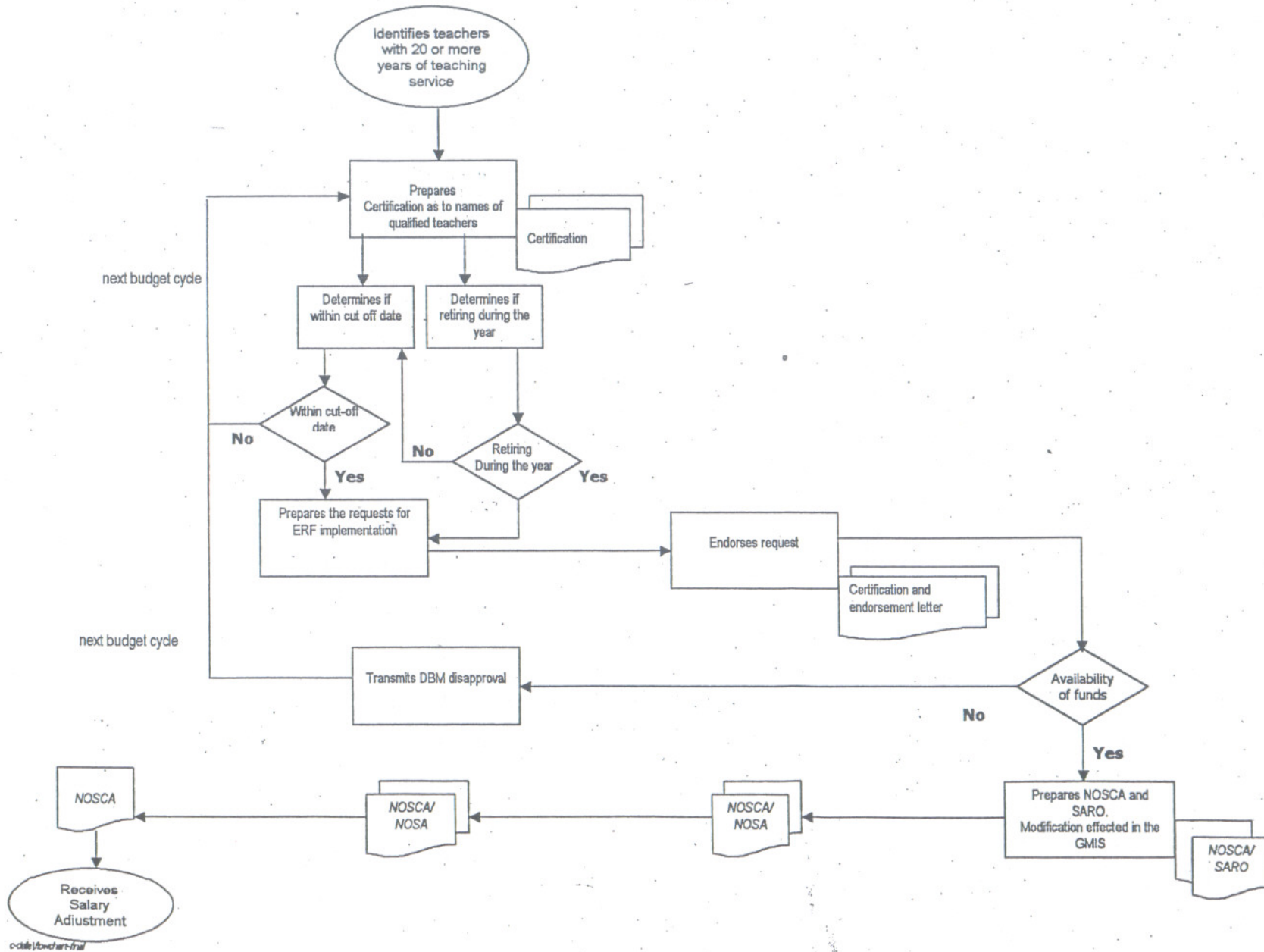


Flowchart for processing ERFs

Teacher

Department of Education (DepEd)  
Schools Division (SD) Regional Offices (RO)

DBM  
Regional Offices



NOTICE OF SALARY ADJUSTMENT

Date \_\_\_\_\_

Mr./Ms \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sir/Madam:

Pursuant to Budget Circular No. \_\_\_\_\_, dated \_\_\_\_\_, 2004, your salary is hereby adjusted effective \_\_\_\_\_, as follows:

1. Adjusted Basic Salary Effective \_\_\_\_\_ under the new Salary Schedule: SG \_\_\_\_\_, Step \_\_\_\_\_  
P \_\_\_\_\_

2. Basic annual/monthly salary/daily/wage as of \_\_\_\_\_: SG \_\_\_\_\_, Step \_\_\_\_\_  
Add: Transition Allowance \_\_\_\_\_

\_\_\_\_\_ Total \_\_\_\_\_

3. Salary Increase per month effective \_\_\_\_\_  
(1-2)

Remaining Balance of Transition Allowance to be deducted from any Salary Adjustment that an employee may be authorized in the future (2-1) \_\_\_\_\_

This salary adjustment is subject to review and post-audit by the Regional Offices concerned of the Department of Budget and Management, and to appropriate re-adjustments and refund if found not in order.

Position Title: \_\_\_\_\_  
Salary Grade: \_\_\_\_\_  
Item No. (PSIPOP FY 2002)

Very truly yours,

\_\_\_\_\_

Head of Agency