



**DEPARTMENT OF BUDGET AND MANAGEMENT AND
NATIONAL LABOR RELATIONS COMMISSION**

JOINT CIRCULAR NO. 2009 - 1

September 4, 2009

- FOR** : *Officials of the Department of Budget and Management and the National Labor Relations Commission and all others concerned*
- SUBJECT** : *Guidelines on the use of income for the grant of Special Allowance to the Chairman, Members of the Commission and Labor Arbiters of the National Labor Relations Commission*
-

1.0 BACKGROUND

- 1.1 Section 4 of Republic Act (R.A.) No. 9347, entitled *An Act Rationalizing the Composition and Functions of the National Labor Relations Commission (NLRC), Amending for this Purpose Articles 213, 214, 215 and 216 of P.D. No. 442, as Amended, Otherwise Known as the Labor Code of the Philippines*, authorized the grant to the Chairman, Members of the Commission and Labor Arbiters of the NLRC of the same *allowances* as those of the Presiding Justice and Associate Justices of the Court of Appeals and Judges of the Regional Trial Courts.
- 1.2 Section 2 of R.A. No. 9227, entitled *An Act Granting Additional Compensation in the Form of Special Allowances for Justices, Judges and all other Positions in the Judiciary with the Equivalent Rank of Justices of the Court of Appeals and Judges of the Regional Trial Court, and for other Purposes*, granted all justices, judges and all other positions in the Judiciary with the equivalent rank of justices of the Court of Appeals and judges of the Regional Trial Court as authorized under existing laws, special allowances equivalent to one hundred percent (100%) of the basic salary specified for their respective salary grades under R.A. No. 6758, as amended.

2.0 PURPOSE

This Joint Circular is being issued to provide the guidelines and procedures on the implementation of the grant of Special Allowance to the Chairman,

Members of the Commission and Labor Arbiters of the NLRC under R.A. No. 9347, in relation to Section 2 of R. A. No. 9227.

3.0 **COVERAGE**

The grant of Special Allowance authorized herein shall cover only the Chairman, Members of the Commission and Labor Arbiters of the NLRC identified as such in the DBM approved Personal Services Itemization – Plantilla of Personnel of the NLRC.

4.0 **GENERAL GUIDELINES**

4.1 The Chairman, Members of the Commission and Labor Arbiters of the NLRC may be granted Special Allowance in any one (1) year in an amount not to exceed 100% of the actual annual basic salary, as provided under Executive Order (E.O.) No. 22, s. 2001 and implemented by National Budget Circular (NBC) No. 474 dated June 15, 2001.

4.2 The Special Allowance shall be granted at a uniform percentage of the basic salary of the recipients, regardless of rank.

4.3 The funds necessary for the implementation of the Special Allowance of the Chairman, Members of the Commission and Labor Arbiters of the NLRC shall be sourced from:

4.3.1 Fees, such as filing fees for petition for injunction, relief from judgment, motion to quash, motion to recompute, third-party claim and motion for postponement, certification fee, deposit fee, contempt fee, execution fee, appeal fee, legal research fee, attestation fee and other similar fees to be imposed by the NLRC; and

4.3.2 Increases in current fees and new fees, which may be imposed and collected by the NLRC pursuant to E.O. Nos. 159, s. 1994 and 197, s. 2000.

4.4 For this purpose, the NLRC shall request the DBM for the issuance of a Fund Code for the establishment of a Special Account in the General Fund with the Bureau of the Treasury (BTr) where the amounts collected under Sections 4.3.1 and 4.3.2 shall be deposited. The amounts shall be made available exclusively for the payment of the Special Allowance herein authorized.

Handwritten initials

- 4.5 The release of funds for the payment of Special Allowance chargeable against the Special Account in the General Fund shall be made upon request for a Special Budget, to be supported with a certification from the BTr as to the total amount actually deposited in accordance with existing budgetary policies and other pertinent rules and regulations on the matter.
- 4.6 The Special Allowance granted to the Chairman, Members of the Commission and Labor Arbiters of the NLRC in accordance with R.A. No. 9347, in relation to Sections 2 and 6 of R.A. No. 9227, and as implemented by this Joint Circular shall be considered as advance implementation of any subsequent increases in their basic salaries as may be authorized by law.

An illustrative example is shown in Annex A.

The limit of Special Allowance under Column 3 of Annex A hereof shall consider the amount of salary increases received pursuant to NBC Nos. 511, 516 and 521 dated June 18, 2007, June 20, 2008, and July 1, 2009, respectively, in accordance with Section 6 of R.A. No. 9227. Accordingly, the limit of Special Allowance shall be reduced to the extent of the amount of the foregoing salary increases received, as shown in Columns 4, 5 and 6 of Annex A: PROVIDED, That any Special Allowances granted shall be converted as part of basic salary and any balance thereof not yet converted into basic salaries shall continue to be granted as Special Allowance and funded from the Special Account in the General Fund: PROVIDED, FURTHER, That the maximum limit of the Special Allowance that may be granted thereafter shall be reduced by the amount of Special Allowance converted as part of basic salaries, as reflected under Columns 7 and 8 of Annex A: PROVIDED, FINALLY, That such Special Allowance shall cease to be granted once the full amount of the Special Allowance under Item 4.1 hereof has been received by the official concerned, as shown in Column 9 of Annex A.

- 4.7 The Special Account in the General Fund shall terminate upon the full implementation of the Special Allowance authorized herein. Accordingly, the balance of the Special Account shall be transferred to the General Fund and thereafter, all fees collected under Items 4.3.1 and 4.3.2 hereof, shall be directly deposited to the General Fund.

5.0 **RESPONSIBILITY OF ALL CONCERNED**


Officials/employees concerned who have caused/authorized the grant of the said Special Allowances not in accordance with the provisions of R.A. No. 9347 in relation to R.A. No. 9227, and this Joint Circular, as well as all other officials/employees who took part thereon, shall be jointly and severally held responsible and liable for such action. This, however, is without prejudice to the refund of any excess payment received by the officials and employees concerned.

6.0 **GOVERNING CLAUSE**

Issues arising from the implementation of this Joint Circular shall be resolved by the Secretary of the DBM.

7.0 **EFFECTIVITY**

This Joint Circular shall take effect immediately. It is understood that there shall be no retroactive payment of said Special Allowance and that payment thereof shall take effect only upon the effectivity of this Joint Circular.


ROLANDO G. ANDAYA, JR.

Secretary

Department of Budget and Management


GERARDO C. NOGRALES

Chairman

National Labor Relations Commission