

FOREWORD

“Equal pay for substantially equal work and responsibility.” The principle recognizes the fact that requirements and demands for performance vary in relative degrees from position to position. Fairness and equity require that similar or substantially similar positions should receive similar pay.

The Philippine Government, in administering the Position Classification and Compensation System (PCCS) established under Republic Act No. 6758 or the Compensation and Position Classification Act of 1989, is guided by this universally accepted principle.

For this reason, positions in the government are grouped into classes by occupational groups on the basis of similarity and level of work to determine their relative worth. A reasonable gap between salary levels is maintained to clearly define the distinction between the different job levels and recognize gradations in duties and responsibilities.

Notwithstanding its noble objectives, the PCCS is not fully understood. This is why the Department of Budget and Management (DBM) prepared this Manual on Position Classification and Compensation.

The Manual is a comprehensive documentation of the policies, rules, regulations, procedures and practices relative to the administration and maintenance of the PCCS. It reflects the legal bases as well as recent issuances, circulars, and other policy and procedural changes affecting the system.

It is hoped that this Manual will enhance the capability of officials and employees concerned in the proper administration and maintenance of the PCCS.

ROLANDO G. ANDAYA, JR.

Secretary

Chapter 1, ***Overview of the Position Classification and Compensation System***, is devoted to the evolution of the PCCS starting from the American Regime up to the enactment of RA No. 6758. It also includes the governing principles, positions covered, parts, and objectives of the PCCS.

Chapter 2, ***The Position Classification Plan*** (PCP), discusses the concepts and contents of the PCP. It also discusses the position classification factors, the position classification process, including the policies, rules and regulations on the administration and maintenance of the PCP.

Chapter 3, ***The Compensation Plan*** (CP), contains the concepts of compensation, compensation policy of the State, governing principles of the CP, and the general guidelines governing government compensation. It describes the salary schedule, salary rules, policies and guidelines related to additional compensation and benefits, and states how the CP is maintained.

The ***Responsibility Centers in the Administration of the Position Classification and Compensation System*** are discussed in Chapter 4 while the ***Salary Grades of Constitutional and Other Officials and Their Equivalentents*** are discussed in Chapter 5.

Chapter 6, ***Position Classification and Compensation Scheme for Teaching Positions in Elementary and Secondary Schools***, comprises topics on the teacher's preparation pay schedule and its coverage, basis of position classification, salary grades, compensation benefits and the career progression system for public school teachers.

Chapter 7, ***Position Classification and Compensation Scheme for Faculty Positions***, includes discussions on the common criteria for evaluation, qualitative contribution evaluation, determination of appropriate ranks and salaries, evaluation cycle and the additional compensation for faculty members in State Universities and Colleges. Likewise included in the discussions are the manner, selection and appointments to faculty ranks.

Chapter 8, ***Position Classification and Compensation Scheme for Foreign Service Personnel*** shows the coverage of Republic Act No. 7157 or "The Philippine Foreign Service Act of 1991." It enumerates the designations of foreign service personnel when assigned abroad and when recalled to the home office and describes their system of allowances. It likewise discusses the assignment, accreditation, appointment and determination of assimilated ranks of service attaches for compensation purposes.

Chapter 9, ***Position Classification and Compensation Scheme in Local Government Units***, includes guidelines on position classification, creation of new positions/offices and of a new class of positions. The compensation scheme includes guidelines on basic pay, adoption of higher salary schedule, step increments, allowances, and other forms of compensation and benefits.

As the need arises, changes in this Manual will be issued by the DBM. The loose-leaf form has been adopted for easy insertion of changes in the Manual.

The Human Resource Management Officers or equivalent officers of agencies are requested to maintain their copies of the Manual in current status.

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