

Republic of the Philippines
Congress of the Philippines
Metro Manila
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Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-eighth day of July, two thousand eight.

JOINT RESOLUTION NO. 4

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

WHEREAS, Section 5, Article IX-B of the Philippine Constitution states that Congress shall provide for the standardization of compensation of government officials and employees, including those in government-owned or -controlled corporations with original charters, taking into account the nature of the responsibilities pertaining to and the qualifications required for their positions;

WHEREAS, Republic Act No. 6758 prescribes a revised Compensation and Position Classification System for civilian personnel in accordance with the above-cited constitutional provision and anchored on the basic principle of equal pay for substantially equal work;

WHEREAS, Joint Resolution No. 01 of the Senate and the House of Representatives approved by the President of the Philippines on March 7, 1994, urged the latter to revise the then existing Compensation and Position Classification System for civilian personnel and base pay of military and uniformed personnel to make it more responsive to the economic needs of government personnel, to provide adequate incentives to public servants and to improve the quality of public services;

WHEREAS, the present Compensation and Position Classification System has to be revised further to update the same, to further encourage excellent performance and productivity, and to clearly distinguish differences in levels of responsibility and accountability among government officials and employees;

WHEREAS, the current structure of the Salary Schedule causes the overlapping of salaries between salary grades, thereby resulting to salary inequities between positions;

WHEREAS, the grant of benefits to selected professions under special laws undermines the compensation standardization and equal protection of the law clauses in the Constitution, distorts the standardized compensation scheme and breeds demoralization among other government personnel;

WHEREAS, the military personnel of the Department of National Defense and uniformed personnel of the Department of the Interior and Local Government, the Philippine Coast Guard, and the National Mapping and Resource Information Authority are similarly in need of a modified base pay that provides adequate remuneration and benefits in view of the vital role they play in internal security;

WHEREAS, in order to make the present Compensation and Position Classification System and Base Pay Schedule more effective in motivating government personnel and in invigorating public service, reforms in the present System and Pay Schedule need to be instituted: Now, therefore, be it:

Resolved by the Senate and the House of Representatives in Congress assembled, To authorize the President of the Philippines to modify the existing Compensation and Position Classification System of civilian personnel and Base Pay Schedule of military and uniformed personnel and to initially implement the same effective July 1, 2009 and in the case of local government units (LGUs) to take effect January 1, 2010.

Resolved, further, To express the strong sentiment of the Senate and the House of Representatives, that said modification must be in line with the governing principles, coverage and particulars of the Compensation and Position Classification System and Base Pay Schedule prescribed hereunder.

Resolved, finally, That the amendments of existing laws and issuances contrary to the provisions of this Joint Resolution shall be effective upon approval of this Joint Resolution.

(1) Governing Principles – The following principles shall govern the modified Compensation and Position Classification System and Base Pay Schedule of the government:

(a) All government personnel shall be paid just and equitable compensation in accordance with the principle of equal pay for work of equal value. Differences in pay shall be based on verifiable compensation and position classification factors in due regard to the financial capability of the government;

(b) The compensation for all civilian government personnel shall generally be comparable with those in the private sector doing comparable work in order to attract, retain and motivate a corps of competent civil servants;

(c) The compensation for all civilian government personnel shall likewise be standardized and rationalized across all government agencies to create an enabling environment that will promote social justice, integrity, efficiency, productivity, accountability and excellence in the civil service;

(d) A performance-based incentive scheme which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well-performing institutions;

(e) A periodic review of the government's Compensation and Position Classification System shall be conducted every three (3) years, taking into account the changes in skills and competency requirement in the bureaucracy, the relative demand for certain expertise, the possible erosion in the purchasing power due to inflation, and other factors. The Base Pay Schedule of military and uniformed personnel shall likewise be subject to the said periodic review to ensure that they are adequately compensated;

(f) The Base Pay Schedule of military and uniformed personnel of the government shall likewise take into account prevailing economic realities and create professionalism, exemplary performance, and commitment to service; and

(g) The compensation for government personnel shall be kept fair and reasonable in recognition of fiscal realities and an efficient allocation of personal services cost which shall be maintained at a realistic level in proportion to the overall expenditure of the government.

(2) Coverage - The Compensation and Position Classification System herein provided shall apply to all positions for civilian government personnel in the Executive, Legislative and Judicial Branches, the Constitutional Commissions, State Universities and Colleges (SUCs), Government-Owned or -Controlled Corporations (GOCCs), Government Financial Institutions (GFIs) and LGUs, whether regular, casual or contractual in nature, appointive or elective, on full-time or part-time basis, now existing or hereafter created. The military and uniformed personnel shall be covered by a separate compensation system as provided in item (8) hereof.

Individuals and groups of personnel whose services are engaged through job orders or contracts of services shall be excluded from the coverage of the System.

(3) Position Classification System - (a) Re-categorized Groups of Classes of Positions - The classes of positions shall be re-categorized as follows: (i) Subprofessional Category; (ii) Professional Category; and (iii) Executive Category.

(i) Subprofessional Category - This category includes positions involved in structured work in support of office operation or those engaged in arts, crafts, trades, manual or clerical work.

Also included in this category are positions engaged in supervising groups of employees performing such work.

These positions require completion of up to elementary education, secondary or vocational education or completion of at least two (2) years of college education, and skills acquired through training and moderate to considerable experience and knowledge of a limited subject matter or skills in arts, crafts, trades, manual and clerical work.

(ii) 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.

Further included in this category are positions engaged in supervising groups of employees performing professional work.

These positions require thorough knowledge in the field of arts and sciences or learning acquired through completion of at least four (4) years of college studies or thorough knowledge of specialized fields acquired through completion of bachelor's, master's or doctorate degrees.

(iii) Executive Category - This category includes managerial positions involved in the execution of laws, rules and regulations, both in the national and local governments, in the legislation of laws and ordinances, and in the administration of justice. Appointive executive positions require thorough knowledge acquired through completion of at least a bachelor's degree. Elective executive positions only require knowledge acquired through the minimum education prescribed by the Constitution and existing laws.

(b) Index of Occupational Services, Occupational Groups, Classes and Salary Grades - The existing levels of classes of positions shall be reviewed to convert them to the more appropriate number of levels that recognizes reasonable gradations in the levels of difficulty, substantial changes and complexity of the duties and responsibilities of positions, work methods, skills, competencies and other relevant factors and to convert them into generic, brief but descriptive and gender-neutral class/position titles.

For this purpose, the Index of Occupational Services, Occupational Groups, Classes and Salary Grades, which is a component of the position classification system, shall be updated by the Department of Budget and Management (DBM) in coordination with the Civil Service Commission (CSC).

(4) Compensation System - (a) Total Compensation Framework - The existing basic salaries, allowances, benefits and incentives granted to government officials and employees shall be rationalized and standardized in accordance with the herein established Total Compensation Framework. Under this Framework, the total payment given to an employee for services rendered shall hereinafter be limited to the following:

- (i) Basic Salaries, including Step Increments;
- (ii) Standard Allowances and Benefits;
- (iii) Specific-Purpose Allowances and Benefits; and
- (iv) Incentives.

Provided, That the Total Compensation Framework shall exclude all indirect compensation under existing laws such as, but not limited to: life and retirement insurance benefits; employee compensation insurance; health insurance; Pag-IBIG Fund benefits; and Provident Fund benefits.

(b) The modified Salary Schedule for Civilian Personnel, to be implemented in tranches, shall be as follows:

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	9,000	9,090	9,181	9,273	9,365	9,459	9,554	9,649
2	9,675	9,772	9,869	9,968	10,068	10,169	10,270	10,373
3	10,401	10,505	10,610	10,716	10,823	10,931	11,040	11,151
4	11,181	11,292	11,405	11,519	11,635	11,751	11,869	11,987
5	12,019	12,139	12,261	12,383	12,507	12,632	12,759	12,886
6	12,921	13,050	13,180	13,312	13,445	13,580	13,716	13,853
7	13,890	14,029	14,169	14,311	14,454	14,598	14,744	14,892
8	14,931	15,081	15,232	15,384	15,538	15,693	15,850	16,009
9	16,051	16,212	16,374	16,538	16,703	16,870	17,039	17,209
10	17,255	17,428	17,602	17,778	17,956	18,135	18,317	18,500
11	18,549	18,735	18,922	19,111	19,302	19,495	19,690	19,887
12	19,940	20,140	20,341	20,545	20,750	20,958	21,167	21,379
13	21,436	21,650	21,867	22,086	22,306	22,529	22,755	22,982
14	23,044	23,274	23,507	23,742	23,979	24,219	24,461	24,706
15	24,887	25,161	25,438	25,718	26,000	26,286	26,576	26,868
16	26,878	27,174	27,473	27,775	28,080	28,389	28,702	29,017
17	29,028	29,348	29,671	29,997	30,327	30,661	30,998	31,339
18	31,351	31,696	32,044	32,397	32,753	33,113	33,478	33,846
19	33,859	34,231	34,608	34,988	35,373	35,762	36,156	36,554
20	36,567	36,970	37,376	37,788	38,203	38,623	39,048	39,478
21	39,493	39,927	40,367	40,811	41,259	41,713	42,172	42,636
22	42,652	43,121	43,596	44,075	44,560	45,050	45,546	46,047
23	46,064	46,571	47,083	47,601	48,125	48,654	49,190	49,731
24	49,750	50,297	50,850	51,410	51,975	52,547	53,125	53,709
25	53,730	54,321	54,918	55,522	56,133	56,750	57,375	58,006
26	58,028	58,666	59,312	59,964	60,624	61,291	61,965	62,646
27	62,670	63,360	64,057	64,761	65,474	66,194	66,922	67,658
28	67,684	68,428	69,181	69,942	70,711	71,489	72,276	73,071
29	73,099	73,903	74,716	75,537	76,368	77,208	78,058	78,916
30	78,946	79,815	80,693	81,580	82,478	83,385	84,302	85,230
31	90,000	90,990	91,991	93,003	94,026	95,060	96,106	97,163
32	103,000	104,133	105,278	106,437	107,607	108,791	109,988	111,198
33	120,000							

(c) **Salary Grade Assignments of Positions** – The salary grades for positions for constitutional officials and their equivalent shall be as provided under Section 8 of Republic Act No. 6758.

The benchmark position schedule in item (4) of Senate and House of Representatives Joint Resolution No. 01, s. 1994, is abolished.

The existing position classification factors and other relevant factors shall guide the DBM in the review of salary grade assignments for classes of positions below those for constitutional officials and their equivalent for possible modifications in view of organizational, technological, professional and other developments, and in determining the salary grade assignments of new classes of positions: *Provided*, That teachers with specialization in Science and Mathematics shall be given three (3) steps higher of his/her assigned grade.

(d) **Step Increments** – An employee may progress from Step 1 to Step 8 of the salary grade allocation of his/her position in recognition of meritorious performance based on a Performance Management System approved by the CSC and/or through length of service, in accordance with the rules and regulations to be promulgated jointly by the DBM and the CSC.

Employees authorized to receive Longevity Pay under existing laws shall no longer be entitled to Step Increments Due to Length of Service. The grant of Step Increment based on Merit and Performance shall be in lieu of the Productivity Incentive Benefit.

(e) **Rationalization of Allowances, Benefits and Incentives** – The coverage, conditions for the grant, including the rates of allowances, benefits and incentives to all government employees, shall be rationalized in accordance with the policies to be issued by the President upon recommendation of the DBM.

For this purpose, all existing and authorized allowances, benefits and incentives shall be categorized as Standard Allowances and Benefits, Specific-Purpose Allowances and Benefits or Incentives in accordance with items (4)(f), (g) and (h) hereof: *Provided*, That henceforth all allowances, benefits and incentives

to be granted to any and all government employees shall be limited to the foregoing categories: *Provided, further,* That said allowances, benefits and incentives shall be granted only upon compliance with all of the qualifications and conditions laid down by the President.

Provident fund benefit and other benefits, which are excluded in the Total Compensation Framework as may be determined by the DBM, shall be rationalized in accordance with the policies to be issued by the President upon recommendation of the DBM.

(f) **Standard Allowances and Benefits** – These are allowances and benefits given to all employees across agencies at prescribed rates, guidelines, rules and regulations, which shall be limited to the following:

(i) **Personnel Economic Relief Allowance** – This shall be given at Two thousand pesos (P2,000.00) per month, the combined total of the current Five hundred pesos (P500.00) Personnel Economic Relief Allowance and the One thousand five hundred pesos (P1,500.00) Additional Compensation, to supplement pay due to the rising cost of living;

(ii) **Uniform/Clothing Allowance** – This is to provide for the required uniform/clothing to employees, at prescribed rates; and

(iii) **Year-End Bonus and Cash Gift** – This is equivalent to one (1) month basic salary and Cash Gift provided under Republic Act No. 6686, as amended by Republic Act No. 8441. Henceforth, the year-end bonus and other cash gifts shall be funded from the annual general appropriations.

(g) **Specific-Purpose Allowances and Benefits** – These are allowances and benefits given to employees across agencies under specific conditions and situations related to the actual performance of work; at prescribed rates, guidelines, rules and regulations. These are limited to the following:

(i) **Representation and Transportation Allowances** – These are given to officials down to division chiefs at monthly standard rates in order to defray transportation and representation expenses

while in the actual performance of the duties of the positions. Transportation allowance shall not be given to those assigned government transportation;

(ii) Per Diem - This is a compensation for attendance in meetings in view of membership in collegial bodies created by law;

(iii) Honoraria - These are token payments in recognition of services rendered beyond the regular duties and responsibilities of positions;

(iv) Night-Shift Differential - This premium is given to an employee whose regular working hours fall wholly or partially within six o'clock in the evening to six o'clock in the morning of the following day;

(v) Overtime Pay - This is cash payment for work performed by an employee beyond the regular working hours in a day, and those performed on rest days, holidays and nonworking days;

(vi) Subsistence Allowance - This is an allowance for meal or sustenance given only to government personnel who, by the nature of the duties and responsibilities of their positions, have to make their services available at all times in their places of work even during mealtimes. This shall be given at the prescribed standard rate;

(vii) Hazard Pay - This is a premium given only to government personnel exposed to hazardous situations such as, but not limited to, assignment in strife-torn or embattled areas, distressed or isolated stations, prison camps, mental hospitals, leprosaria, radiation-exposed clinics/laboratories/workshops, disease-infested areas and areas declared under state of calamity or emergency which pose occupational risks or perils to life;

(viii) Special Counsel Allowance - This is an allowance for lawyer personnel in the legal staff of departments, bureaus or offices of the national government deputized by the Office of the Solicitor General to appear in court as special counsel in collaboration with the Solicitor General or Prosecutors concerned;

(ix) Overseas and Other Allowances for Government Personnel Stationed Abroad - These are allowances given to government officials and employees assigned abroad at such rates authorized under Republic Act No. 7157, as amended, and its implementing rules and regulations; and

(x) Other allowances and benefits granted under specific conditions and situations, related to the actual performance of work as may be determined by the DBM: *Provided*, That Section 8 of Republic Act No. 9417 shall remain effective and enjoyed in the manner prescribed under said law.

(h) Incentives - This shall be limited to the following:

(i) Incentives to reward an employee's loyalty to government service and contributions to the agency's continuing viable existence, as follows:

(aa) Loyalty Incentive - This is an incentive to be given in milestone years to reward an employee's loyalty to government service with at least satisfactory performance. This shall be in lieu of the Loyalty Award; and

(bb) Anniversary Bonus - This is a one-time incentive to be given to employees on the occasion of their agencies' milestone anniversaries, to recognize the employees' participative efforts in and contributions to the agencies' continuing and/or viable existence;

(ii) Incentives as rewards for exceeding agency financial and operational performance targets, and to motivate employee efforts toward higher productivity, as follows:

(aa) Collective Negotiation Agreement (CNA) Incentive - This may be granted to both management and rank-and-file employees of agencies with approved and successfully implemented CNAs in recognition of their efforts in accomplishing performance targets at lesser cost, in attaining more efficient and viable operations through cost-cutting measures and systems improvement, such CNA incentive shall be provided for under the annual General Appropriations Act; and

(bb) Productivity Enhancement Incentive – This may be authorized by the President of the Philippines for the Executive Branch and LGUs, the Senate President and the Speaker of the House of Representatives for the Legislative Branch, the Chief Justice of the Supreme Court for the Judicial Branch, the Ombudsman for the Office of the Ombudsman and the Heads of Constitutional Commissions for Constitutional Offices vested with fiscal autonomy at the end of the year. Such productivity enhancement incentive shall be funded from the annual general appropriations; and

(iii) Other existing benefits to be categorized by the DBM as incentives.

(5) Special Allowances – The grant of Special Allowances to certain officials and employees as provided under Republic Act No. 9227, Republic Act No. 9279, Republic Act No. 9347, Republic Act No. 9406 and Republic Act No. 9417 which shall not exceed one hundred percent (100%) of the applicable salary schedule, as provided in their respective implementing rules and regulations, shall be considered as an advance implementation of any subsequent increases in the salary rates under Republic Act No. 6758, as amended.

Accordingly, the full amount of Special Allowances or portions thereof that have been received shall be converted as part of basic salaries as a result of the salary increases authorized pursuant to this Joint Resolution and such other subsequent issuances and/or laws authorizing salary adjustments: *Provided*, That any balances in the amount of Special Allowances not converted as part of basic salaries shall continue to be granted as such and funded from sources specified under applicable laws: *Provided, further*, That the maximum limit of the Special Allowances that may be granted thereafter shall be reduced by the amount of Special Allowances converted as part of basic salaries: *Provided, finally*, That such Special Allowances shall cease to be granted once the full amount of the authorized Special Allowances have been received by the employee concerned.

(6) Magna Carta Benefits - Within ninety (90) days from the effectivity of this Joint Resolution, the DBM is hereby authorized to issue the necessary guidelines, rules and regulations on the grant of Magna Carta benefits authorized for specific officials and employees in the government to determine those that may be categorized in the Total Compensation Framework.

Nothing in this Joint Resolution shall be interpreted to reduce, diminish or, in any way, alter the benefits provided for in existing laws on Magna Carta benefits for specific officials and employees in government, regardless of whether said benefits have been already received or have yet to be implemented.

The DBM, in coordination with the agencies concerned, shall determine the qualifications, conditions and rates in the grant of said benefits. Accordingly, the consultative councils, departments and officials previously authorized to issue the implementing rules and regulations of Magna Carta benefits shall no longer exercise said function relative to the grant of such benefits.

(7) Local Government Units - The salaries, wages, allowances and other emoluments and benefits of officials and employees of LGUs shall be determined by their respective sanggunians in accordance with the pertinent provisions of Republic Act No. 7160: *Provided*, That LGUs may, if their finances warrant, grant salary or wage adjustments to their personnel, subject to the personal services limitation in LGU budgets under Republic Act No. 7160: *Provided, further*, That the grant of allowances and other benefits shall be subject to the said personal services limitation.

In case of partial implementation of salary or wage adjustments, the same shall be at uniform proportion of the established rates for all positions in each LGU.

(a) The salary or wage adjustments, if warranted by the finances of the LGUs, shall be determined on the basis of the income class and financial capability of each LGU but shall not

exceed the following percentages of the rates in the Salary Schedule under item (4)(b) of this Joint Resolution:

	For Provinces/Cities	For Municipalities
Special Cities	100%	
1 st Class	100%	90%
2 nd Class	95%	85%
3 rd Class	90%	80%
4 th Class	85%	75%
5 th Class	80%	70%
6 th Class	75%	65%

(b) The rates of representation and transportation allowances shall be determined on the basis of the income class of each LGU.

(c) Each barangay official/employee paid monthly honorarium may be granted year-end bonus based on the monthly honorarium rate as of October 31 of the year, and cash gift, subject to the budgetary requirements and personal services limitation in barangay budgets under Republic Act No. 7160. Enforcement of the personal services limitation shall be waived insofar as the minimum year-end bonus of One thousand pesos (P1,000.00) for the punong barangay and Six hundred pesos (P600.00) for the other mandatory barangay officials, and their cash gifts are concerned.

(8) Military and Uniformed Personnel – The military personnel of the Department of National Defense (DND) and the uniformed personnel of the Department of the Interior and Local Government (DILG), the Philippine Coast Guard (PCG) and the National Mapping and Resource Information Authority (NAMRIA) shall be covered by a compensation system that will promote pay equity for an effective, efficient, professional and motivated corps of military and uniformed personnel.

They shall be covered by only one Base Pay Schedule as follows:

DND	DILG		PCG and NAMRIA	Monthly Base Pay
	BJMP and BFP	PNP and PPSC		
Candidate Soldier				P11,265
Private	Fire/Jail Officer I	Police Officer I	Apprentice Seaman/Seaman Third Class	14,834
Private First Class			Seaman Second Class	15,952
Corporal	Fire/Jail Officer II	Police Officer II	Seaman First Class	16,934
Sergeant			Petty Officer III	17,744
Staff Sergeant	Fire/Jail Officer III	Police Officer III	Petty Officer II	18,665
Technical Sergeant			Petty Officer I	20,159
Master Sergeant	Senior Fire/Jail Officer I	Senior Police Officer I	Chief Petty Officer	21,771
Senior Master Sergeant	Senior Fire/Jail Officer II	Senior Police Officer II	Senior Chief Petty Officer	23,513
Chief Master Sergeant	Senior Fire/Jail Officer III	Senior Police Officer III	Master Chief Petty Officer	25,394
First Chief Master Sergeant	Senior Fire/Jail Officer IV	Senior Police Officer IV	First Master Chief Petty Officer	27,425
Cadet		Cadet		27,425
Probationary Second Lieutenant				27,425
Second Lieutenant			Ensign	29,945
First Lieutenant	Inspector	Inspector	Lieutenant Junior Grade	32,341

DND	DILG		PCG and NAMRIA	Monthly Base Pay
	BJMP and BFP	PNP and PPSC		
Captain	Senior Inspector	Senior Inspector	Lieutenant Senior Grade	P85,312
Major	Chief Inspector	Chief Inspector	Lieutenant Commander	37,313
Lieutenant Colonel	Superintendent	Superintendent	Commander	40,298
Colonel	Senior Superintendent	Senior Superintendent	Captain	43,521
Brigadier General	Chief Superintendent	Chief Superintendent	Commodore	47,002
Major General	Director	Director	Rear Admiral	50,763
			Vice Admiral	54,824
Lieutenant General		Deputy Director General	Admiral	59,210
General		Director General		67,500

The remuneration for military and uniformed personnel shall be reckoned on a separate Total Compensation Framework which shall include: (a) Base Pay, including Longevity Pay; (b) Standard Allowances and Benefits; (c) Specific-Purpose Allowances and Benefits; and (d) Incentives.

All existing types of allowances and benefits authorized for military/uniformed personnel such as, but not limited to, Longevity Pay, Quarters Allowance, Subsistence Allowance, Clothing Allowance, Laundry Allowance and Hazard Pay shall continue to be authorized and categorized in accordance with this separate Total Compensation Framework.

(9) **Exempt Entities** – Government agencies which by specific provision/s of laws are authorized to have their own compensation and position classification system shall not be entitled to the salary adjustments provided herein. Exempt entities shall be governed by their respective Compensation and Position Classification

Systems: *Provided*, That such entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President: *Provided, further*, That any increase in the existing salary rates as well as the grant of new allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval by the President, upon recommendation of the DBM: *Provided, finally*, That exempt entities which still follow the salary rates for positions covered by Republic Act No. 6758, as amended, are entitled to the salary adjustments due to the implementation of this Joint Resolution, until such time that they have implemented their own compensation and position classification system.

(10) Disclosure of Compensation and Position Classification Systems Adopted by Exempt Entities – In conformity with the provisions of item (9) hereof, exempt entities shall submit their existing compensation and position classification systems and their implementation status to the DBM.

(11) Non-diminution in the Basic Salaries of Incumbent Employees – In no case shall there be any diminution in the basic salaries of incumbent employees upon the implementation of this Joint Resolution. For this purpose, they shall receive the new salary rates prescribed herein, to be implemented in tranches, which in no case shall be less than their existing salary rates.

(12) Funding Source – The funding sources for the amounts necessary to implement the modified Compensation and Position Classification System and Base Pay Schedule shall be as follows:

(a) For national government entities, the amounts shall be charged against appropriations set aside for the purpose in the FY 2009 General Appropriations Act and from savings generated by the different departments, bureaus, offices and agencies of the government. Thereafter, such amounts as are needed shall be included in the annual General Appropriations Act: *Provided*, That for every Fifty billion pesos (P50,000,000,000.00) increase in the programmed new appropriations, five percent (5%) will be earmarked for the salary increase of personnel;

(b) For GOCCs and GFIs, the amounts shall come from their respective corporate funds in the approved corporate operating budgets. Government corporations which do not have adequate or sufficient funds shall only partially implement the established rates: *Provided*, That any partial implementation shall be at uniform proportion of the established rates for all positions in each government corporation; and

(c) For LGUs, the amounts shall be charged against their respective local government funds in accordance with the pertinent provisions of this Joint Resolution and Republic Act No. 7160.

(13) Implementation - For national government employees, the Salary Schedule in item (4)(b) and the Base Pay Schedule in item (8) shall be implemented in four (4) equal yearly tranches but in no case beyond four (4) years: *Provided*, That the initial implementation shall take effect July 1, 2009.

For GOCCs/GFIs and LGUs, the implementation period shall be at least four (4) years depending on their financial capabilities: *Provided, further*, That the initial implementation for GOCCs/GFIs shall take effect July 1, 2009 and in the case of LGUs, January 1, 2010.

(14) Applicability to Certain Constitutional Officials - Pursuant to Section 6 of Article VII and Section 10 of Article VI of the Constitution, the salaries prescribed herein for the President of the Philippines, Vice President of the Philippines and Members of Congress shall take effect only after the expiration of the respective terms of the present incumbents.

(15) Applicability of Other Laws - All provisions of Presidential Decree No. 985, as amended by Presidential Decree No. 1597, Republic Act No. 6758, as amended by Senate and House of Representatives Joint Resolution No. 01, s. 1994, which are not inconsistent with and are not expressly modified, revoked or repealed by this Joint Resolution shall continue to be in full force and effect.

(16) Amendment of Existing Laws - The provisions of all laws, decrees, executive orders, corporate charters, rules, regulations, circulars, approvals and other issuances or parts thereof that are

inconsistent with the provisions of this Joint Resolution such as, but not limited to, Republic Act No. 4670, Republic Act No. 7160, Republic Act No. 7305, Republic Act No. 8439, Republic Act No. 8551, Executive Order No. 107 dated June 10, 1999, Republic Act No. 9286, Republic Act No. 9166, Republic Act No. 9173 and Republic Act No. 9433 are hereby amended.

All provisions of laws, executive orders, corporate charters, implementing rules and regulations prescribing salary grades for government officials and employees other than those in Section 8 of Republic Act No. 6758 are hereby repealed.

(17) Functional Responsibilities — (a) In addition to the powers and functions provided in the pertinent items of this Joint Resolution and Presidential Decree No. 985, as amended by Presidential Decree No. 1597, Republic Act No. 6758, and Senate and House of Representatives Joint Resolution No. 01, s. 1994, the DBM shall:

(i) Prepare and issue the guidelines, rules and regulations necessary to implement the modified Compensation and Position Classification System for all government personnel herein established consistent with the executive orders to be issued by the President;

(ii) Administer the modified Compensation and Position Classification System;

(iii) Undertake a continuing review of the Compensation and Position Classification System for civilian government personnel in coordination with the CSC; and

(iv) Recommend for the consideration and approval of the President, the updating of the Compensation and Position Classification System for civilian personnel and Base Pay Schedule for military and uniformed personnel, as well as the policies on and levels of allowances, benefits and incentives applicable to all government personnel, including those for exempt entities.

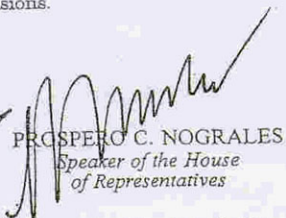
(b) The CSC and the DBM shall jointly formulate the guidelines, rules and regulations on the grant of incentives in items (4)(h)(i) and (ii).

(c) The CSC, in developing the Performance Management System, shall ensure that personnel performance shall be linked with organizational performance in order to enhance the performance orientation of the compensation system.


(18) Preparation of a Consolidated Compensation and Position Classification Report – The DBM shall prepare a Consolidated Compensation and Position Classification Report, summarizing the approved systems for all government entities in the national government, government-owned or -controlled corporations and government financial institutions including exempt entities and the status of implementation thereof. Said report shall be periodically updated and submitted to Congress and the Commission on Audit for public disclosure, monitoring, compliance with established policies and as basis for future policy decisions.


Approved,


 JUAN PONCE ENRILE
President of the Senate



 PROSPERO C. NOGRALES
*Speaker of the House
 of Representatives*

This Joint Resolution which is a consolidation of House Joint Resolution No. 36 and Senate Joint Resolution No. 26 was finally adopted by the House of Representatives and the Senate on June 1, 2009 and June 2, 2009, respectively.


 EMMA LIRIO-REYES
Secretary of the Senate


 MARILYN B. BARUA-YAP
*Secretary General
 House of Representatives*

Approved: JUN 17 2009


 GLORIA MACAPAGAL-ARROYO
President of the Philippines

