



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Building I, General Solano Street, San Miguel, Manila



CIRCULAR LETTER

No. 2009 - 13

December 18, 2009

TO : HEADS OF DEPARTMENTS AND AGENCIES OF THE EXECUTIVE BRANCH, INCLUDING GOVERNMENT-OWNED AND/OR -CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), AND ALL OTHERS CONCERNED

SUBJECT : REITERATION/CLARIFICATION OF CERTAIN GUIDELINES RELATED TO THE FILLING OF POSITIONS/HIRING OF PERSONNEL UNDER EXECUTIVE ORDER 366

1.0 Purpose

This Circular Letter is being issued to:

- 1.1 Reiterate the continuing moratorium on the filling of vacant regular/permanent/itemized positions by Departments/Agencies/GOCCs/GFIs of the Executive Branch and the hiring of new casuals/contractuals, including personnel on consultancy basis, while their respective Rationalization Plan (RP) has not yet been approved;
- 1.2 Extend the authority of Department Secretaries/Agency Heads to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy basis for a specific period;
- 1.3 Extend the period of hiring of job order personnel under Department of Labor and Employment (DOLE)-Department of Budget and Management (DBM) Joint Circular No. 01-09 (*Instituting Measures to Assist Workers Affected by the Global Financial Crisis and Temporary Filling Up of Vacant Positions in the Government*) dated 23 March 2009; and
- 1.4 Prohibit the reappointment/reemployment/rehiring of affected personnel who opted to retire/be separated from the service under Executive Order (EO) 366 in any agency of the Executive Branch, including in GOCCs/GFIs, on a regular, contractual or casual status.

2.0 Guidelines

Moratorium on the Filling of Positions/Hiring of Personnel

- 2.1 The moratorium on the filling of regular/permanent/itemized positions, either through original appointment, promotion, transfer or reemployment, and the

hiring of new casuals/contractuals, including personnel on consultancy basis, shall continue to be implemented in all Departments/Agencies/GOCCs/GFIs of the Executive Branch whose RP has not yet been approved by this Department, consistent with Section 7 of EO 366 and Section 13.a of its Implementing Rules and Regulations.

The temporary suspension shall not apply to teaching positions, medical and allied medical items in hospitals and other medical facilities servicing agency clients, as well as to uniformed positions in the Departments of National Defense, the Interior and Local Government, Transportation and Communications, and Environment and Natural Resources. However, medical and allied medical positions which primarily provide service to agency personnel are covered by the moratorium.

Authority to Renew Appointments/Contracts

2.2 Department Secretaries/Agency Heads shall be allowed to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy basis for the period that the Department/Agency is undergoing rationalization activities, but not to go beyond one (1) month after the approval of the agency's RP **or** 30 June 2010, whichever comes earlier, except those personnel whose authorized period of hiring should not go beyond 31 December 2009 and those with specific deliverables for a set timeframe, subject to pertinent budgetary, civil service, accounting and auditing rules and regulations, and the following conditions:

- a. For National Government Agencies, the funds appropriated for the purpose are sufficient and the action would not entail additional budgetary release or the realignment of non-Personal Services (PS) funds to PS;
- b. In the case of GOCCs, funds for the purpose shall be charged against internally-generated funds/project funds included in the Board-approved Corporate Operating Budget;
- c. The maximum number of personnel whose contracts/appointments would be renewed shall not exceed the actual employees at the start of the Department/Agency's rationalization efforts, as adjusted by the DBM-authorized hiring of new/additional personnel; and
- d. There shall be no new hiring and/or replacement of resigned/retired/separated/terminated/regularized staff.

2.3 The renewal of appointments/contracts of personnel for projects with DBM-approved staffing pattern shall be limited to the existing number of authorized positions and to the set timeframe for hiring.

Authority to Hire Job Order Personnel under DOLE-DBM Joint Circular No. 01-09

2.4 All departments and agencies of the government, including GOCCs and GFIs, are hereby authorized to extend the period of hiring of personnel on a job order basis, preferably the displaced workers and/or their dependents of employable age, **up to 30 June 2010** by setting aside 0.75% of their Maintenance and Other Operating Expenses (MOOE).

Pending the approval of the 2010 budget, funds can be initially taken from the 2009 budget, with the overall level of 0.75% of MOOE to be determined and adjusted once the 2010 budget is approved and effective.

- 2.5 Agencies whose RP is still under evaluation by the DBM are, in addition to those to be hired chargeable against 0.75% of their MOOE, authorized to hire job order personnel for a period ***not to go beyond one (1) month after the approval of their RP.***

Funding for the purpose shall be sourced from the allocation of funded vacant positions which agencies would request to be realigned to MOOE.

Necessary documents for the hiring of job order personnel whose salaries will be taken from the allocation of funded vacant positions can be processed, but actual hiring shall proceed once the Special Allotment Release Order for the purpose has been released.

The allocation for positions requested for filling shall not be included in the realignment to MOOE, until after a DBM action to the contrary is received.

- 2.6 The outsourcing of certain services (e.g., utility, building and grounds maintenance, messengerial, security and transportation/mobility) by Departments/Agencies/GOCCs/GFIs with approved RP shall be consistent with the overall policy under the Rationalization Program on services which could be outsourced and on the agency policy on which other services to outsource.

Agencies, however, may explore other areas for outsourcing. Moreover, they should ensure that the hiring of personnel would contribute to the attainment of the agency's objectives and would not adversely affect the implementation of their regular programs and projects and the attainment of their work targets.

- 2.7 Agencies which have coterminus with the incumbent (CTI) positions are prohibited from hiring personnel whose functions are similar to those performed by the incumbents of the CTI items.

Policy on the Rehiring of Retired/Separated Personnel

- 2.8 Government personnel who opted to retire/be separated from the service as a result of the rationalization efforts of their Department/Agency shall not be appointed nor hired as casuals or contractuels in any agency of the Executive Branch, including in GOCCs/GFIs, within a period of five (5) years, except in teaching positions in educational institutions and in medical and allied medical items in hospitals. Reemployment in any Branch of Government shall be considered as new entry to the civil service.

3.0 Responsibility Clause

It shall be the responsibility of the Department Secretaries and equivalent Agency Heads to strictly implement the provisions of this Circular Letter, including the laws, rules and regulations indicated herein. In case of any violation of the same, the official authorizing such action shall be held responsible for whatever expenses the government incurred for not strictly following said issuances.

4.0 Applicability Clause

The provisions of this Circular Letter shall be applicable until revoked.

5.0 Effectivity

This Circular Letter shall take effect upon its publication in a newspaper of general circulation.

ROLANDO G. ANDAYA, JR.

Secretary

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Government personnel who opted to retire/be separated from the service as a result of the rationalization efforts of their Department/Agency shall not be appointed nor hired as casuals or contractuels in any agency of the Executive Branch, including in GOCCs/GFLs, within a period of five (5) years, except in teaching positions in educational institutions and in medical and allied medical terms in hospitals. Reemployment in any Branch of Government shall be considered as new entry to the civil service.

Policy on the Re-hiring of Retiree/Separated Personnel

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Agencies which have cotenants with the incumbent (CTI) positions are prohibited from hiring personnel whose functions are similar to those performed by the incumbents of the CTI items.

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The outsourcing of certain services (e.g., utility, building and grounds maintenance, messengerial, security and transportation/mobility) by Departments/Agencies/GOCCs/GFLs with approved RP shall be consistent with the overall policy under the Rationalization Program on services which could be outsourced and on the agency policy on which other services to outsource.

Agencies, however, may explore other areas for outsourcing. Moreover, they should ensure that the hiring of personnel would contribute to the attainment of the agency's objectives and would not adversely affect the implementation of their regular programs and projects and the attainment of their work targets.

The allocation for positions requested for filling shall not be included in the reassignment to MOOE, until after a DBM action to the contrary is received.

Funding for the purpose shall be sourced from the allocation of funded vacant positions which agencies would request to be reassigned to MOOE. Agency documents for the hiring of job order personnel whose salaries will be taken from the allocation of funded vacant positions can be processed, but actual hiring shall proceed once the Special Allotment Release Order for the purpose has been released.