



LOCAL BUDGET CIRCULAR

No. 2009-92A

Dec. 17, 2009

TO : All Provincial Governors; City and Municipal Mayors; *Barangay* Chairpersons; Provincial/City/Municipal/*Barangay Sanggunian* Members; Provincial/City/Municipal Treasurers/Budget Officers/Human Resource Management Officers; and Other Officials Concerned

SUBJECT : Rules and Regulations on the Salary Adjustments of Public Health Workers (PHWs) to Supplement Local Budget Circular (LBC) No. 2009-92

1.0 Background

Section 19 b) of Republic Act (R.A.) No. 7305, "Magna Carta of Public Health Workers," provides that the salary scales of PHWs in local government units (LGUs) shall not be less than those provided for PHWs in the national government.

Senate and House of Representatives Joint Resolution No. 4, s, 2009, "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, approved on June 17, 2009, provides in item (7) thereof that "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."

Moreover, item (7)(a) of the Joint Resolution provides that the salary or wage adjustments, if warranted by the finances of LGUs, shall be determined on the basis of income class and the financial capability of each LGU but shall not exceed the corresponding percentages of the rates in the Salary Schedule under item (4)(b) of the Joint Resolution.

The foregoing provisions highlight the authority of the *sanggunian* to decide on matters of compensation of LGU personnel, subject to the LGU financial capability and other applicable guidelines.

2.0 Purpose

This Circular is issued to supplement the rules and regulations prescribed in LBC No. 2009-92, particularly on salary adjustments of PHWs.

3.0 Supplemental Rules and Regulations

- 3.1 The respective *sanggunian* are given the discretion to determine the salaries of PHWs and the rest of LGU personnel by taking into consideration and balancing the impact of the relevant provisions of the said Joint Resolution, R.A. No. 7160, and R.A. No. 7305 on fiscal discipline, prioritization of expenditures, improvement of service delivery, and equity in compensation among LGU personnel.
- 3.2 The salary adjustments of PHWs are subject to the personal services limitation in LGU budgets pursuant to Section 325(a) of R.A. No. 7160, in view of item (7) of the Joint Resolution.
- 3.3 In determining the salaries of PHWs, the following options are available to the *sanggunian*, depending on the LGU financial capability:
 - 3.3.1 PHWs may be given the salary rates corresponding to their national government counterparts, which are equivalent to the rates in Annex "A1" of LBC No. 2009-92, upon careful deliberation of the issues in item 3.1 above.
 - 3.3.2 If LGU funds are not sufficient, PHWs may be given the salary rates at a uniform percentage of the national government rates in said Annex "A1."
 - 3.3.3 If the application of item 3.3.2 above is not feasible due to insufficient funds, then the salary rates in accordance with the salary schedule for an LGU income class may be implemented, pursuant to item 6.1 of LBC No. 2009-92.
 - 3.3.4 If the application of item 3.3.3 above is further not feasible due to insufficient funds, then the salary rates in a modified salary schedule, at uniform percentage of the rates in the salary schedule for an LGU income class may be implemented, pursuant to item 6.3 of LBC No. 2009-92.

4.0 Effectivity

This Circular shall take effect January 1, 2010.


ROLANDO G. ANDAYA, JR.
Secretary