



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Boncodin Hall, General Solano Street, San Miguel, Manila



BUDGET CIRCULAR

No. 2011-2

September 26, 2011

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs); Government-Owned or Controlled Corporations (GOCCs); Government Financial Institutions (GFIs); Chief Executives of Local Government Units (LGUs); and All Others Concerned

SUBJECT : Amendatory Rules on the Grant of the Personnel Economic Relief Allowance (PERA)

1.0 Background

1.1 Items (4)(e) and (4)(f)(i) of the Senate and House of Representatives Joint Resolution (JR) No. 4, s. 2009, approved on June 17, 2009, provide as follows:

"(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 xxxxx.

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 xxxxx.

(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."

- 1.2 Budget Circular (BC) No. 2009-3, "Rules and Regulations on the Grant of the Personnel Economic Relief Allowance at P2,000 per Month," was issued on August 18, 2009, to implement item (4)(f)(i) of JR No. 4.
- 1.3 To further rationalize the grant of allowances to government personnel, Section 45 of the General Provisions of Republic Act No. 10147, the FY 2011 General Appropriations Act, includes the proviso that "government personnel assigned or stationed abroad and are already receiving overseas allowances shall not be entitled to PERA." This proviso is intended to preclude duplication in allowances granted to foreign service personnel, considering that in Section 63(a) of R.A. No. 7157, "Philippine Foreign Service Act of 1991," the Overseas Allowance (as a component of the system of allowances for foreign service personnel) shall be granted to adjust their take home pay "for any changes in the cost of living abroad which arise from changes in foreign currency conversion rates, differentials in the cost of living between the Philippines and foreign post, xxxxx."

2.0 Purpose

This Circular is issued to amend item 4.0 of BC No. 2009-3 and to reiterate Section 45 of the General Provisions of R.A. No. 10147.

3.0 Amendment

Item 4.0 of BC No. 2009-3 is amended to read as follows:

"4.0 Exclusions

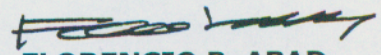
The following are excluded from the coverage of this Circular:

- 4.1 Positions not entitled to any other emolument, aside from salaries, pursuant to the Philippine Constitution;
- 4.2 Positions for civilian personnel in government agencies which are authorized by law to adopt, and are actually implementing their own compensation and position classification systems;
- 4.3 Positions for government personnel assigned or stationed abroad and are entitled to Overseas Allowances;
- 4.4 Those hired without employee-employer relationships and funded from non-Personal Services appropriations/budgets, as follows:

- 4.4.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
 - 4.4.2 Laborers hired through job contracts (pakyaw) and those paid on piecework bases;
 - 4.4.3 Student laborers and apprentices; and
 - 4.4.4 Others similarly situated; and
- 4.5 *Barangay* officials and employees paid monthly honoraria."

4.0 Effectivity

This Circular shall take effect January 1, 2011.


FLORENCIO B. ABAD
Secretary