



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Building I, General Solano Street, San Miguel, Manila



CIRCULAR LETTER

No. 2012-20

December 18, 2012

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 OF CERTAIN GUIDELINES ON THE FILLING OF POSITIONS/HIRING OF PERSONNEL UNDER EXECUTIVE ORDER (EO) NO. 366 DATED 04 OCTOBER 2004

1.0 Purpose

This Circular Letter is being issued to:

- 1.1 Provide the continuing moratorium on the filling of vacant regular/permanent/itemized positions by the different Departments/Agencies of the Executive Branch, as well as Government-Owned and/or -Controlled Corporations (GOCCs) which are under the jurisdiction of the Department of Budget and Management (DBM), and the hiring of new casuals/contractuals, including personnel on a consultancy/emergency/contract of service/job order 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/contract of service/job order basis for a specific period;
- 1.3 Allow Departments/Agencies/GOCCs/GFIs with approved RP to hire consultants/job order/contract of service personnel, provided that the hiring is consistent with areas which can be outsourced as indicated in their RP; and
- 1.4 Prohibit the reappointment/reemployment/rehiring of affected personnel who opted to retire/be separated from the service under 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 a consultancy/emergency/contract of service/job order basis, shall continue to be implemented in all Departments/Agencies of the Executive Branch, as well as GOCCs that are under the DBM jurisdiction, 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 continually be allowed to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy/contract of service/job order 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 2013**, whichever comes earlier, except those personnel whose authorized period of hiring should not go beyond 31 December 2012 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.

Outsourcing of Certain Services by Agencies With Approved RP

- 2.4 Departments/Agencies/GOCCs/GFIs with approved RP are allowed to outsource certain services, thru the hiring of consultants/job order/contract of service personnel, provided it is consistent with the following:
- a. Pertinent budgetary, civil service, accounting and auditing, rules and regulations;
 - b. Overall policy under the approved RP on services/areas which could be outsourced (e.g., utility, building and grounds maintenance, messengerial, security, transportation/mobility, and information technology); and
 - c. Agency policy on which other services to outsource.

The agencies should likewise ensure that the hiring of consultants/job order/contract of service personnel would contribute to the attainment of their objectives and would not adversely affect the implementation of their regular programs/projects and the achievement of their work targets.

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

Policy on the Rehiring of Retired/Separated Personnel

- 2.6 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, for a period of five (5) years, except as teaching or medical staff in educational institutions and hospitals, or hired as a consultant/contract of service/job order personnel where there is no employer-employee relationship, as the case may be, with reemployment in any Branch of Government to be considered as new entry to the civil service.

3.0 Applicability of the Moratorium in GOCCs/GFIs under the Jurisdiction of the Governance Commission on GOCCs (GCG)

The GCG would issue its separate policies and guidelines relative to the continuing implementation of the moratorium on the filling of positions/hiring of personnel in the GOCCs/GFIs under its jurisdiction and whose RP is yet to be approved by the Commission.

4.0 Responsibility Clause

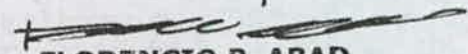
It shall be the responsibility of the Department Secretaries and equivalent Agency Heads to strictly implement the provisions of this Circular Letter, including the laws, rules and regulations indicated herein. In case of any violation of the same, the official authorizing such action shall be held responsible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

5.0 Applicability Clause

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

6.0 Effectivity

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


FLORENCIO B. ABAD
Secretary