

EXECUTIVE ORDER NO. 164

**ADOPTING A REVISED COMPENSATION AND POSITION
CLASSIFICATION SYSTEM IN THE GOVERNMENT**

WHEREAS, in gearing up the bureaucracy to be more inspired and effective in achieving the country's development goals, it is imperative to upgrade and further rationalize the present compensation system;

WHEREAS, the streamlining policy of the government has burdened the remaining personnel with additional duties and responsibilities for which they must be properly compensated;

WHEREAS, there is an immediate need to update the compensation structure to keep in step with the existing economic conditions and ameliorate the plight of government personnel;

WHEREAS, recognizing the authority of the President of the Philippines under the Salary Standardization Law (R.A. 6758), the Senate and the House of Representatives of the Philippines has issued a Joint Resolution urging the President to revise the existing Compensation and Position Classification System in the government and to implement the same initially effective January 1, 1994;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, R.A. No. 6758, P.D. No. 985 and P.D. No. 1597, do hereby order and direct:

SECTION 1. *Adoption of the Revised Compensation and Position Classification System.* The Compensation and Position Classification System under Joint Senate and House Resolution No. 1, series 1994, is hereby adopted, subject to the provisions of Section 14 of R.A. No. 6758 and Section 13 of P.D. No. 985.

SECTION 2. *Initial Implementation.* The Department of Budget and Management is hereby directed to implement the new salary schedule within a period of four (4) years: **PROVIDED**, That the initial implementation retroactive to January 1, 1994 shall be as follows:

(no)



- a) For civilian personnel:
 - (i) For Salary Grades 1 to 10, Eight Hundred Pesos (P800.00) per month; and
 - (ii) For Salary Grades 11 upward, Seven Hundred Pesos (P700.00) per month.
- b) For uniformed personnel of the DND and the DILG

As already authorized in Administrative Order No. 110 of the Office of the President dated February 4, 1994.

Heads of all national government departments and agencies including government owned and controlled corporations and local government units shall not grant any form of compensation adjustment in excess of the amounts herein authorized.

SECTION 3. *Integration of Transition and "Over and Above" Allowances.* The salary rates contained in the adopted Salary Schedule shall include transition allowance and "over-and-above" allowance presently authorized to be received by incumbents.

SECTION 4. *Continuation of Personnel Economic Relief Allowance and Additional Compensation.* Personnel Economic Relief Allowance and the additional compensation authorized under Administrative Order No. 53 shall continue to be paid as allowances and, not integrated into basic pay.

SECTION 5. *Funding Source.* The funding sources for the amounts necessary to implement the revised compensation and position classification system shall be as follows:

- a) For national government entities, the amount shall be charged against the appropriations set aside for the purpose in the 1994 General Appropriations Act and from savings generated from the different departments, bureaus, offices, and agencies. Thereafter, such amounts as are needed shall be included in the annual General Appropriations Act.
- b) For government -owned and/or controlled corporations (GOCCs), the amount shall come from their respective corporate funds.



- c) For local government units (LGUs), the amount shall be charged against their respective local funds.

GOCCs and LGUs which do not have adequate or sufficient funds to pay the salary increase prescribed herein shall only partially implement the established rates: PROVIDED, That any partial implementation shall be uniform and proportionate for all positions in each corporate entity or local government unit: PROVIDED, Further, that in the case of LGUs where the basic salaries of devolved national government personnel are higher than those of the existing organic LGU employees, the initial increase may be applied only to said existing LGU personnel until such time that the compensation of the LGU personnel matches that of the devolved personnel.

SECTION 6. *Applicability to Certain Constitutional Officials.* Pursuant to Section 6 of Article VII and Section 10 of Article VI of the Constitution, the compensation adjustment prescribed herein for the President, Vice-President, and Members of the House of Representatives shall take effect only after the expiration of the respective term of the present incumbents, and with respect to Senators, only after the expiration of the term of all the incumbent Senators.

SECTION 7. *Implementing Guidelines.* The Department of Budget and Management shall prepare and issue the necessary guidelines for the implementation of this Executive Order.

SECTION 8. *Effectivity.* This Executive Order shall take effect immediately.



07 MAR 1994

By the President:



TEOFISTO T. GUINGONA, JR.
Executive Secretary

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Received

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Date

