

**AUTHORIZING COMPENSATION ADJUSTMENTS
TO GOVERNMENT PERSONNEL**

WHEREAS, an efficient and effective civil service is crucial to the continuous development of our country;

WHEREAS, the basic salary of government employees has not been increased since July 2001, or for more than 5 years, notwithstanding periodic wage adjustments granted to the private sector, and the continuous rise in the prices of basic commodities;

WHEREAS, the subsistence allowance of the military and uniformed personnel was last adjusted in 1998, while the hazard pay has remained at P120/month since its initial grant in 1987;

WHEREAS, there is an imperative need to improve the morale of the civil service through a more competitive compensation system that supports the economic well being of government personnel;

NOW THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by Presidential Decree (P.D.) No. 985, P.D. No 1597, Republic Act (R.A.) No. 6758, as amended by the Senate and House of Representatives Joint Resolution No. 1 dated March 7, 1994, and R.A. No. 9336, do hereby order:

Section 1. New Salary Schedule of Civilian Government Personnel. -

The Department of Budget and Management (DBM) is hereby directed to implement a ten percent (10%) increase over the basic monthly salaries as of June 30, 2007 of civilian government personnel whose positions are covered by the Compensation and Position Classification System under R.A. No. 6758, as amended, effective July 1, 2007.

The adjusted salaries of civilian government personnel shall be in accordance with the Salary Schedule marked as Annex "A" of this Executive Order. Provided, That the adjustments shall be the designated salary step of the employee in the salary grade allocation of his or her position as of June 30, 2007.

Section 2. Subsistence Allowance and Hazard Pay of Military and Uniformed Personnel. - Military personnel of the Armed Forces of the Philippines and all uniformed personnel under the Department of the Interior and Local Government, Philippine Coast Guard, and National Mapping and Resource Information Authority are hereby granted a Thirty Pesos (P30) per day increase in their subsistence allowance and a One Hundred Twenty Pesos (P120) per month increase in their hazard pay effective July 1, 2007.

Section 3 Coverage - The ten percent (10%) salary increase authorized herein shall cover civilian officials and employees of National Government Agencies (NGAs) including State Universities and Colleges, Government Owned and/or Controlled Corporations (GOCCs), Government Financial Institutions (GFIs) and Local Government Units (LGUs), which are covered by the Compensation and Position Classification System under R.A. No. 6758, as amended.



Government agencies which are exempted by law from the coverage of R.A. No. 6758, as amended, shall not be entitled to any of the compensation adjustments provided herein.

Section 4. Fund Source. – The amounts necessary to implement the compensation adjustments authorized herein shall be sourced, as follows:

- a.) For NGAs, the amount shall be charged against the appropriate fund source under the FY 2007 General Appropriations Act. Thereafter, such amounts as are needed shall be included in the annual General Appropriations Act.
- b.) For GOCCs and GFIs, the amount shall be taken from their respective corporate funds.
- c.) For LGUs, the amount shall come from their respective local funds.

Section 5. Uniform Percentage Increase in Case of Insufficiency of Funds – GOCCs, GFIs and LGUs, which do not have adequate or sufficient funds to pay the compensation adjustments authorized herein, shall only partially implement the adjusted rates: Provided, That any partial implementation shall be at a uniform percentage increase for all positions.

Section 6. Allowances and Benefits Based on a Percentage of the Basic Salary of Civilian Personnel. – Except for the year-end bonus and fixed personnel benefit contributions, there shall be no corresponding increase in the present allowances and benefits being received by or paid for civilian government personnel, which are computed at a percentage of their basic salaries, notwithstanding the ten percent (10%) salary increase authorized herein.

Section 7. Applicability to Certain Constitutional Officials. – The salary increase authorized herein for the President, Vice-President, Senators and Members of the House of Representatives shall take effect only after the expiration of the respective terms of office of the incumbent officials pursuant to Section 10 of Article VI and Section 6 of Article VII of the 1987 Constitution.

Section 8. Implementing Rules and Regulations. – The DBM shall prepare and issue the necessary rules and regulations to implement the provisions of this Executive Order.

Section 9. Effectivity. – The compensation adjustments authorized herein shall take effect on July 1, 2007.

Manila, Philippines, 14 March 2007

By the President

EDUARDO R. ERMITA
Executive Secretary


GLORIA MACAPAGAL-ARROYO



CERTIFIED COPY.




MARIANITO M. DIMAANDAL
DIRECTOR III
MALACANANG RECORDS OFFICE

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**Monthly Salary Schedule for Civilian Personnel
Effective July 1, 2007**

Salary Grade	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8
1	5,590	5,730	5,873	6,020	6,171	6,325	6,483	6,645
2	6,094	6,246	6,402	6,563	6,725	6,894	7,066	7,244
3	6,643	6,808	6,977	7,153	7,330	7,515	7,701	7,895
4	7,174	7,352	7,536	7,724	7,918	8,116	8,318	8,526
5	7,747	7,941	8,139	8,342	8,551	8,765	8,984	9,209
6	8,367	8,576	8,791	9,010	9,236	9,467	9,703	9,946
7	8,953	9,175	9,405	9,640	9,882	10,128	10,382	10,643
8	9,580	9,819	10,064	10,316	10,573	10,837	11,109	11,386
9	10,250	10,506	10,769	11,039	11,315	11,596	11,888	12,183
10	10,933	11,207	11,486	11,774	12,068	12,371	12,680	12,997
11	11,589	11,878	12,175	12,478	12,792	13,112	13,440	13,774
12	12,284	12,591	12,906	13,229	13,559	13,899	14,245	14,601
13	13,021	13,347	13,680	14,022	14,372	14,732	15,101	15,477
14	13,801	14,147	14,500	14,863	15,235	15,616	16,006	16,405
15	14,630	14,995	15,370	15,754	16,148	16,553	16,965	17,391
16	15,508	15,895	16,292	16,701	17,117	17,546	17,985	18,434
17	16,438	16,849	17,270	17,701	18,146	18,599	19,064	19,540
18	17,425	17,861	18,307	18,765	19,235	19,714	20,208	20,713
19	18,471	18,932	19,405	19,891	20,389	20,898	21,420	21,955
20	19,579	20,068	20,569	21,085	21,612	22,152	22,705	23,274
21	20,361	20,871	21,393	21,927	22,475	23,036	23,614	24,203
22	21,176	21,705	22,248	22,804	23,375	23,959	24,558	25,171
23	22,022	22,573	23,139	23,717	24,308	24,917	25,540	26,179
24	22,905	23,477	24,065	24,665	25,284	25,915	26,563	27,227
25	23,821	24,417	25,026	25,653	26,293	26,951	27,624	28,316
26	24,773	25,392	26,028	26,678	27,345	28,028	28,730	29,448
27	25,764	26,409	27,070	27,745	28,438	29,150	29,878	30,626
28	26,795	27,465	28,152	28,855	29,576	30,315	31,074	31,851
29	27,866	28,564	29,277	30,009	30,760	31,529	32,317	33,124
30	31,763	32,557	33,372	34,205	35,060	35,937	36,835	37,755
31	44,468	45,580	46,718	47,886	49,083	50,311	51,568	52,857
32	50,820	52,091	53,393	54,728	56,096	57,498	58,936	60,409
33	63,525							



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