



Updates on Salaries and Benefits for the Public Sector

Assistant Secretary Myrna S. Chua
Department of Budget and Management

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Study on Compensation and Benefits in the Public Sector, FY 2015

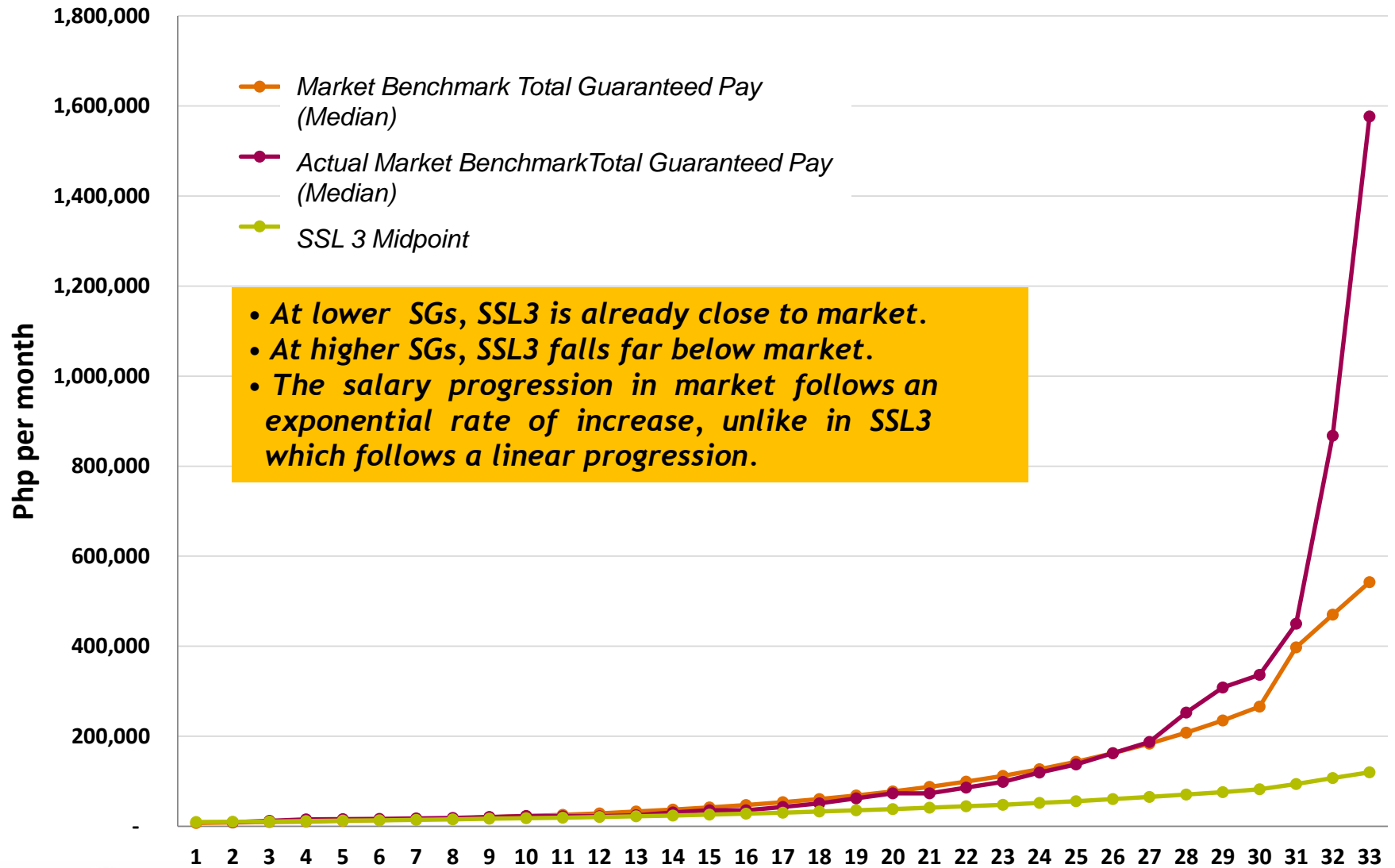
Congress Joint Resolution No. 4 (June 17, 2009), states that "a periodic review of the government's Compensation and Position Classification System shall be conducted every three (3) years"

To determine:

- The competitiveness of government pay in relation to the private sector; and,
- The compensation strategy to bring government pay closer to market rates.



Highlights of Market Study



Highlights of Competitive Review

| Job Category | Sample Positions | Market Position of Government Pay |
|--|--|--|
| Sub-Professional (SGs 1 to 10) | <ul style="list-style-type: none"> • Utility Worker • Driver • Messenger • Clerk • Administrative Assistant | 126% to 79% of market median |
| Professional (SGs 11 to 24) | <ul style="list-style-type: none"> • Economist • Agriculturist • Accountant • Engineer • Lawyer | 76% to 41% of market median |
| Middle Manager (SGs 25 to 28) | <ul style="list-style-type: none"> • Director I • Director IV • Executive Director | 39% to 34% of market median |
| Executive (SGs 29 to 33) | <ul style="list-style-type: none"> • Assistant Secretary • Undersecretary • Secretary • Senator • Vice - President • President | 32% to 22% of market median |

Guiding Principles

- Payment of just and equitable compensation to government personnel in accordance with the principle of equal pay for work of equal value;
- Comparability of civilian government pay with those in the private sector;
- Rationalized and standardized compensation across all government agencies; and
- Adoption of a performance-based incentive scheme



Compensation Adjustment Strategy

Parameters:

- Minimum basic salary (SG 1) shall be raised **from P9,000 to P11,068** a month
- Compensation shall be adjusted to at least 70% of the market for all salary grades
- To recognize differences in duties and responsibilities, there shall be no salary overlaps
- The link between pay and performance shall be strengthened



Compensation Strategy



Objectives:

- ✓ To be **competitive** with the market thereby attract and retain talent
- ✓ Strengthen the **link between pay and performance**
- ✓ **Temper costs** of benefits (i.e. GSIS premiums and PhilHealth contributions) while maximizing the benefits to employees
- ✓ Allow **higher take home pay**, especially for government personnel belonging to lower salary grades



Executive Order No. 201, s. 2016

Title: Modifying the Salary Schedule for Civilian Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel

Coverage

- 1. All civilian personnel* in the Executive, Legislative, and Judicial Branches, Constitutional Commissions and Constitutional Offices, GOCCs not covered by RA 10149, and LGUs



Executive Order No. 201, s. 2016

Coverage

2. *Military personnel* of the DND
3. *Uniformed personnel* of the DILG, PCG, and NAMRIA

Exclusion

Those engaged thru job orders, contracts of service, consultancy contracts, service contracts with no employee-employer relationship



Monthly Salary Schedule

Four (4) Tranches

| | Sample Positions | SSL 3 | EO 201 | | | |
|----|------------------------|--------|-------------|-------------|-------------|-------------|
| | | | 1st Tranche | 2nd Tranche | 3rd Tranche | 4th Tranche |
| | | Step 1 | Step 1 | Step 1 | Step 1 | Step 1 |
| 1 | Utility Worker I | 9,000 | 9,478 | 9,981 | 10,510 | 11,068 |
| 2 | Messenger | 9,675 | 10,159 | 10,667 | 11,200 | 11,761 |
| 3 | Clerk I | 10,401 | 10,883 | 11,387 | 11,914 | 12,466 |
| 4 | Driver II | 11,181 | 11,658 | 12,155 | 12,674 | 13,214 |
| 5 | Carpenter II | 12,019 | 12,488 | 12,975 | 13,481 | 14,007 |
| 6 | Lab Technician I | 12,921 | 13,378 | 13,851 | 14,340 | 14,847 |
| 7 | Computer Operator I | 13,890 | 14,331 | 14,785 | 15,254 | 15,738 |
| 8 | Engg Assistant | 14,931 | 15,368 | 15,818 | 16,282 | 16,758 |
| 9 | Electrician Foreman | 16,051 | 16,512 | 16,986 | 17,473 | 17,975 |
| 10 | Legal Assistant I | 17,255 | 17,730 | 18,217 | 18,718 | 19,233 |
| 11 | Teacher I | 18,549 | 19,077 | 19,620 | 20,179 | 20,754 |
| 12 | Teacher II | 19,940 | 20,651 | 21,387 | 22,149 | 22,938 |
| 13 | Teacher III | 21,436 | 22,328 | 23,257 | 24,224 | 25,232 |
| 14 | Cashier II | 23,044 | 24,141 | 25,290 | 26,494 | 27,755 |
| 15 | Budget Officer II | 24,887 | 26,192 | 27,565 | 29,010 | 30,531 |
| 16 | Attorney I | 26,878 | 28,417 | 30,044 | 31,765 | 33,584 |
| 17 | Executive Assistant II | 29,028 | 30,831 | 32,747 | 34,781 | 36,942 |



Monthly Salary Schedule

Four (4) Tranches

| | Sample Positions | SSL 3 | EO 201 | | | |
|-----------|------------------|---------|-------------|-------------|-------------|-------------|
| | | | 1st Tranche | 2nd Tranche | 3rd Tranche | 4th Tranche |
| | | Step 1 | Step 1 | Step 1 | Step 1 | Step 1 |
| 18 | Economist III | 31,351 | 33,452 | 35,693 | 38,085 | 40,637 |
| 19 | IT Officer I | 33,859 | 36,409 | 39,151 | 42,099 | 45,269 |
| 20 | Board Sec III | 36,567 | 39,768 | 43,250 | 47,037 | 51,155 |
| 21 | Attorney III | 39,493 | 43,439 | 47,779 | 52,554 | 57,805 |
| 22 | Asst. Div Chief | 42,652 | 47,448 | 52,783 | 58,717 | 65,319 |
| 23 | Court Atty II | 46,064 | 51,826 | 58,310 | 65,604 | 73,811 |
| 24 | Division Chief | 49,750 | 56,610 | 64,416 | 73,299 | 83,406 |
| 25 | Director I | 53,730 | 61,971 | 71,476 | 82,439 | 95,083 |
| 26 | Director II | 58,028 | 67,690 | 78,960 | 92,108 | 107,444 |
| 27 | Director III | 62,670 | 73,937 | 87,229 | 102,910 | 121,411 |
| 28 | Bureau Director | 67,684 | 80,760 | 96,363 | 114,981 | 137,195 |
| 29 | Asst. Secretary | 73,099 | 88,214 | 106,454 | 128,467 | 155,030 |
| 30 | Undersecretary | 78,946 | 96,354 | 117,601 | 143,534 | 175,184 |
| 31 | Secretary | 90,000 | 117,086 | 152,325 | 198,168 | 257,809 |
| 32 | Vice President | 103,000 | 135,376 | 177,929 | 233,857 | 307,365 |
| 33 | President | 120,000 | 160,250 | 214,000 | 285,778 | 381,632 |



Entry-Level Technical Guaranteed Monthly Pay

SG 11 – Budget Officer I, Planning Officer I, Teacher I

| | 2017 | 2018 | 2019 |
|----------------|-----------------|-----------------|-----------------|
| Monthly Salary | P 19,620 | P 20,179 | P 20,754 |
| PERA | 2,000 | 2,000 | 2,000 |
| Total | P 21,620 | P 22,179 | P 22,754 |



Mid-Year Bonus (14th Month Pay)

- Section 4, EO 201, s. 2016
- Guidelines for FY 2016 in Budget Circular No. 2016-3 dated April 28, 2016
- Equivalent to **1 month basic salary** as of May 15 of the year



Mid-Year Bonus (14th Month Pay)

Conditions:

- At least 4 months of service from July 1 of the immediately preceding year to May 15 of the current year
- Still in government service as of May 15 of the current year
- At least a satisfactory performance rating in the immediately preceding rating period



Year-End Bonus and Cash Gift

- Budget Circular No. 2016-4 (April 28, 2016)
- At **one month salary + P5,000**
- To be given not earlier than November 15
- *Conditions :*
 - ✓ Rendered at least 4 months of service from January 1 to October 31 of the same year
 - ✓ Remains to be in government service as of October 31 of the same year



Year-End Bonus and Cash Gift

For those who have rendered at least 4 months of service from January 31 of the year but no longer in service as of October 31 due to *retirement or separation*, a **pro-rated share** of YEB and CG shall be granted, as follows:

| Length of Service | Percentage of YEB and CG |
|----------------------------------|---------------------------------|
| 4 months but less than 5 months | 50% |
| 5 months but less than 6 months | 60% |
| 6 months but less than 7 months | 70% |
| 7 months but less than 8 months | 80% |
| 8 months but less than 9 months | 90% |
| 9 months but less than 10 months | 95% |



Year-End Bonus and Cash Gift

For those who have rendered **less than 4 months of service** from January 31 of the same year and are still in government service as of October 31 of the same year, a **pro-rated share** of CG shall be granted, as follows:

| Length of Service | Percentage of CG | Amount |
|---------------------------------|-------------------------|---------------|
| 3 months but less than 4 months | 40% | P 2,000 |
| 2 months but less than 3 months | 30% | 1,500 |
| 1 month but less than 2 months | 20% | 1,000 |
| Less than 1 month | 10% | 500 |



Enhanced Performance-based Bonus (PBB)

- Subject to the achievement by departments/agencies of ***performance targets*** and compliance with ***good governance and other conditions***
- Based on a ***progressive rate system*** → as the position and responsibility goes higher, so does the amount of PBB



Rates of the FYs 2016 and 2017 PBB

| Performance Category | PBB as % of Monthly Basic Salary |
|--|----------------------------------|
| Best Bureau/Office/Delivery Unit (10%) | 65% |
| Better Bureau/Office/Delivery Unit (25%) | 57.5% |
| Good Bureau/Office/Delivery Unit (65%) | 50% |

*Not lower than P5,000



Productivity Enhancement Incentive (PEI)

- Section 6, EO 201, s. 2016
- Equivalent to **P5,000** per employee
- To be given not earlier than **December 15** of every year
- To improve government employees' productivity
- Budget Circular No. 2016 – 8 dated December 12, 2016



Compensation Adjustment for LGU Personnel

- LGUs may implement the same compensation adjustment, subject to:
 - 1) authorization from the Sanggunian; and
 - 2) compliance with Personnel Services (PS) limitation
- Implementation shall be not earlier than the dates specified in the EO
- Salary schedule shall correspond to the LGU's income classification



Compensation Adjustment for LGU Personnel

Percentage of the Salary Schedule

| | For Provinces/Cities | For Municipalities |
|-----------------------------|----------------------|--------------------|
| Special Cities | 100% | |
| 1st Class | 100% | 90% |
| 2nd Class | 95% | 85% |
| 3rd Class | 90% | 80% |
| 4th Class | 85% | 75% |
| 5th Class | 80% | 70% |
| 6th Class | 75% | 65% |



EO No. 3, s. 2016

Combat Duty Pay:

- For AFP: Increased from P500/month to **P3,000/month**
- For PNP: Increased from P340/month to **P3,000/month**

For AFP personnel performing **combat duties/activities** and PNP personnel engaged in **actual police operations** as defined by the Secretary of the DND and Director General of the PNP

***Effective September 1, 2016**



EO No. 3, s. 2016

Combat Incentive Pay:

- For AFP: From P150/day of actual combat (max of P3,000/month) to **P300/day** of actual combat (max of P3,000/month)
- For PNP: **P300/day** of actual combat (max of P3,000/month)

For AFP and PNP personnel who figure directly in actual combat against members of various insurgent, terrorist and lawless elements

***Effective September 1, 2016**



Funding Source

- For **National Government Agencies** funded in the GAA
 - ✓ FY 2017 - charged against FY 2017 GAA
 - ✓ FYs 2018 to 2019 - to be proposed annually under the National Expenditure Program
- For **GOCCs**
 - ✓ Charged against their respective corporate funds
- For **LGUs**
 - ✓ Charged against LGU funds, consistent with RA 7160



Thank You