

[PRESIDENTIAL DECREE NO. 1285, January 13, 1978]

RATIONALIZING THE COMPENSATION STRUCTURE OF THE FOREIGN SERVICE OF THE PHILIPPINES WITH THE ADOPTION OF A FOREIGN SERVICE COMPENSATION PLAN.

WHEREAS, the officers and employees in the foreign service of the Philippines work and reside under economic environments different from that of the Philippines and are thus subject to foreign exchange, international price level and other developments unique to the foreign service;

WHEREAS, position classification and compensation plans have been developed for government employees in the Philippines, specifically for the career executive service and the civil service proper;

WHEREAS, the problems facing government personnel assigned abroad call for a compensation plan that is suitable for their situation;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution do hereby order and decree:

SECTION 1. Title. This Decree shall be known as the "Foreign Service Compensation Decree of 1978."

SEC. 2. Declaration of Policy. A system of compensation standards and policy is hereby established for personnel of the Philippine government who are stationed abroad, taking into account fluctuations in value among the various currencies of the world, differing rates of price level change in the various countries of assignments, while being consistent with the national compensation and position classification system of the Philippines.

SEC. 3. Definition of Terms. When used in this Decree, the term —

- a. "Government" means the government of the Philippines and its component agencies;
- b. "Foreign Service" covers officials and personnel of the Department of Foreign Affairs, Department of Trade, Department of Finance, and of other agencies, who are stationed abroad;
- c. "Abroad" mean all areas outside the territory of the Philippines;
- d. "Chief of Mission" means the principal officer appointed by the President of the Philippines, to be in charge of an embassy or legation or other diplomatic mission of the Philippines, or any other person assigned to be minister resident, charge d' affaires, commissioner, or diplomatic agent;
- e. "Principal Officer" means the officer in charge, of a consulate general, consulate, or vice consulate of the Philippines;
- f. "Prevailing Central Bank rate" refers to the floating rate as established by the Central Bank of the Philippine for the sale of US Dollar or other applicable currencies.

SEC. 4. Position Classification and Compensation. The President shall establish the position classification plan and basic salary levels of foreign service personnel upon the recommendation of the Secretary of Foreign Affairs and the Commissioner of the

Budget: *Provided*, That the initial classification and salary rated of Chiefs of Missions, Foreign Service Officers, and foreign service staff officers and employees shall be as established under Presidential Decree No. 905 until otherwise modified under the provisions of this Decree; *Provided, Further*, That rules and regulations governing the salaries of foreign affairs officers and of staff officers and employees at the time of appointment, the salaries of alien clerks and employees, the administrative establishment of salary differentials, the compensation of officers primarily in charge, and the classification of positions in the foreign service shall be approved by the President upon recommendation of the Secretary of Foreign Affairs and the Commissioner of the Budget: *Provided, Finally*, That, The President shall determine, upon recommendation of the Secretary of Foreign Affairs and the Commissioner of the Budget, the equivalence to foreign service positions, of the position classification of personnel stationed abroad, of agencies other than the Department of Foreign Affairs, for purposes of computing the applicable allowances.

SEC. 5. Allowances. The President shall establish a system of allowances for foreign services personnel which shall include the following:

- a. Overseas allowance — to adjust take-home pay of foreign service personnel for any changes in cost of living abroad which arise from changes in foreign currency conversion rates, differentials in cost of living between the Philippines and foreign posts, and extraordinary and necessary expenses not otherwise compensated do e m which are incurred by officers or employees in the foreign service;
- b. Living quarters allowance — to enable personnel to whom those are grander, to live in a manner befitting their representative capacity but not for purposes of augmenting basic salary;
- c. Clothing allowance — to compensate for increased cost of clothing incurred by foreign service personnel assigned to posts whose climates are different from that of the Philippines or where unusual circumstances exist;
- d. Post allowance — to defray unusual expenses incident to the operation and maintenance of an official residence suitable for the chief diplomatic or consular representative of the Philippines at his post;
- e. Representation allowance — to enable Chiefs of Missions, special envoys, ministers, permanent delegates or representatives to international bodies, principal office and foreign service officers and ranking staff officers to uphold the prestige of the Republic of the Philippines and otherwise to represent the country with distinction and dignity;
- f. Education allowance — to compensate for additional educational cost incurred by officers and employees assigned abroad for legal dependent children not exceeding three in number, who are enrolled in the primary and elementary grades, where free public education and/or English as a medium of instruction is absent;
- g. Medical allowance — intended to cover the cost of medical insurance in countries were medical care is unusually expensive, including cost of hospitalization and medical treatment for foreign service personnel and legal dependents living with the officer and employee at the posts as may be approved by the President;
- h. Family allowance — to assist foreign service personnel living with their families at the post of assignment, in meeting the incremental expenses arising from foreign assignment, computed for the dependent spouse and for unmarried legal minor dependent children not exceeding three in number.