

[EXECUTIVE ORDER NO. 611, July 01, 2007]

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. 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 a uniform 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 compensations adjustments authorized herein shall take effect on July 1, 2007.