

**[ OP EXECUTIVE ORDER NO. 900, S. 2010, June 23, 2010 ]**

**IMPLEMENTATION OF THE SECOND TRANCHE OF THE MODIFIED SALARY SCHEDULE FOR CIVILIAN PERSONNEL AND BASE PAY SCHEDULE FOR MILITARY AND UNIFORMED PERSONNEL IN THE GOVERNMENT**

**WHEREAS**, the Philippine Government has adopted the modified Salary Schedule of civilian personnel covered by Republic Act (R.A.) No. 6758, "Compensation and Position Classification Act of 1989," as amended, and the Base Pay Schedule for military and uniformed personnel contained in the Senate and the House of Representatives Joint Resolution No. 4, s. 2009, approved on June 17, 2009, which shall be implemented in four (4) yearly tranches for personnel in national government agencies (NGAs);

**WHEREAS**, for personnel in government-owned or -controlled corporations (GOCCs), government financial institutions (GFIs), and local government units (LGUs), the implementation of the modified Salary Schedule shall be in at least four (4) years, depending on their financial capabilities, pursuant to item (13) of Joint Resolution No. 4;

**WHEREAS**, the first tranches of the modified Salary Schedule and Base Pay Schedule have been implemented effective July 1, 2009 for personnel in NGAs, GOCCs, and GFIs, and effective January 1, 2010 for personnel in LGUs;

**WHEREAS**, R.A. No. 9970, the FY 2010 General Appropriations Act (GAA), provides for the second tranche implementation of the modified Salary Schedule and Base Pay Schedule for personnel in NGAs;

**NOW, THEREFORE, I. GLORIA MACAPAGAL ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, Presidential Decree No. 985, Presidential Decree No. 1597, R.A. No. 6758, as amended by the Senate and House of Representatives Joint Resolution No. 01 approved on March 7, 1994, and Senate and House of Representatives Joint Resolution No. 4, s. 2009, do hereby order and direct:

**SECTION 1. Coverage and Exclusion -**

(a) Civilian Personnel – The compensation adjustment due to the implementation of the second tranche of the modified Salary Schedule shall cover all positions for civilian personnel in the Executive, Legislative, and Judicial Branches, the Constitutional Commissions/Offices, State Universities and Colleges, GOCCs, GFIs, and LGUs, whether regular, casual, or contractual in nature, appointive or elective, on full-time or part-time basis, now existing or hereafter created, subject to the pertinent provisions herein.

(b) Military and Uniformed Personnel – The compensation adjustments due to the implementation of the second tranche of the modified Base Pay Schedule shall cover the military personnel under the Department of National Defense (DND) and uniformed personnel under the Department of the Interior and Local Government (DILG), Philippine Coast Guard (PCG), and National Mapping and Resource Information Authority (NAMRIA).

(c) The following are excluded from the coverage of the compensation adjustments:

- (i) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated; and
- (ii) Civilian personnel in government entities which are exempted from R.A. No. 6758 and are authorized by law to adopt and are actually implementing their respective compensation and position classification systems approved by the Office of the President.

**SECTION 2. *Implementation of the Second Tranche Monthly Salary Schedule for Civilian Personnel of the National Government*** – This Salary Schedule, attached as Annex “A”<sup>\*</sup>, which is the second tranche of the modified Salary Schedule provided in item (4)(b) of Joint Resolution No. 4, shall be implemented effective June 24, 2010 for personnel in NGAs and in GOCCs and GFIs: Provided, However, that this second tranche implementation shall not apply to officials and employees whose terms of office are coterminus with the incumbent President of the Philippines, including the coterminus employees of these officials.

**SECTION 3. *Implementation of the Second Tranche Monthly Base Pay Schedule for Military and Uniformed Personnel*** – This Base Pay Schedule, attached as Annex “B”<sup>\*</sup>, which is the second tranche of the modified Base Pay Schedule in item (8) of Joint Resolution No. 4, shall be implemented effective June 24, 2010.

**SECTION 4. *Implementation of the Second Tranche Monthly Salary Schedule for LGU Personnel*** – The implementation of the Second Tranche of the modified Salary Schedule for LGU personnel shall be determined by the sanggunian, on the basis of the LGU income class and financial capability: Provided, That such salary rates shall not exceed the following applicable percentages of the salary rates in Annex “A”, pursuant to item (7)(a) of Joint Resolution No. 4: Provided, Further, That the resulting Personal Services (PS) cost shall not exceed the PS limitation in LGU budgets, as provided under Sections 325(a) and 331(b) of R.A. No. 7160: Provided, Finally, That there shall be no diminution in the basic salaries of incumbents for purposes of complying with said PS limitation.

**Percentages of Salary Rates in Annex “A”**

	For Provinces/Cities	For Municipalities
<b>Special Cities</b>	100%	
1 <sup>st</sup> Class	100%	90%
2 <sup>nd</sup> Class	95%	85%
3 <sup>rd</sup> Class	90%	80%
4 <sup>th</sup> Class	85%	75%