

**[ DBM LOCAL BUDGET CIRCULAR NO. 53,  
September 01, 1993 ]**

**GUIDELINES ON COMPENSATION AND POSITION  
CLASSIFICATION IN THE LOCAL GOVERNMENT UNITS**

In order to maintain the consistency and integrity of the unified Compensation and Position Classification System established pursuant to Republic Act. No. 6758 (Salary Standardization Law) in compliance with the mandate of the Constitution, which system is being administered and maintained by the DBM, and in the light of Administrative Order No. 42 issued by the President dated March 3, 1993, the following guidelines are promulgated for adherence by all concerned:

**ON COMPENSATION**

*SECTION 1. Salary Rate* - Unless otherwise amended, the salary rate of the salary grade allocation of each position established under R.A. No. 6758 as prescribed under Section 10 thereof shall be enforced.

- a. Under the no-diminution-in-pay policy in the devolution of functions/personnel, the salary and other personnel benefits being received by the devolved personnel prior to devolution shall be retained. However, as soon as the devolved position becomes vacant, the authorized salary for such position should be in accordance with the salary rates and other allowances of local government officials and employees being implemented by the local government unit (LGU) concerned pursuant to Joint Commission Circular Nos. 35 and 36. Subsequent filling up of the position shall be in accordance with the guidelines set under Rule VI, Section 1 of Joint Commission Circular No. 5.
- b. The full salary of the Municipal Treasurers and Assessors which is now being shouldered by the municipal government concerned shall be equal to those appointive local officials enumerated under the Code who are equated to a department head in the same municipality.
- c. Ex-officio members in the Sangguniang Bayan/Panlungsod representing the Liga ng mga Barangay and the Pederasyon ng mga Sangguniang Kabataan shall receive the same salaries and emoluments actually received by their elective counterparts in the sanggunian concerned.
- d. Pursuant to Article 77 of the Implementing Rules and Regulations of R.A. No. 7160 (Local Government Code of 1991), ex-officio members in the Sangguniang Panlalawigan representing the Liga ng mga Barangay and the Pederasyong ng mga Sangguniang Kabataan shall be paid their basic salary and emoluments from the component city or municipality where they are representing their respective leagues or federations. The Province shall provide

for the difference in their salary so that their total compensation shall be equivalent to the compensation of other Sangguniang Panlalawigan members.

- e. Sectoral representatives in the Sangguniang Bayan, Panlungsod and Panlalawigan shall receive the same salaries and emoluments actually received by the other regular members of the sanggunian.

*SECTION 2. Salary Adjustments* - Salary adjustments inconsistent with R.A. No. 6758 are not allowed and are considered unauthorized. However, depending on financial capability and subject to the general budgetary limitations under Sections 325 and 326 of R.A. No. 7160, LGUs are authorized under Section 13 of R.A. No. 6758 to implement step increments based on merit and length of service in accordance with Joint CSC-DBM Circular No. 1, s. 1990.

*SECTION 3. Allowances* - LGUs may grant allowances/additional compensation to the national government officials/employees assigned in their locality at rates authorized by law, rules and regulations and subject to the following pre-conditions:

- a. That the annual income or finances of the municipality, city or province as certified by the Accountant concerned will allow the grant of the allowances/additional compensation without exceeding the general limitations for personal services under Section 325 of R.A. No. 7160;
- b. That the budgetary requirements under Section 324 of R.A. No. 7160 including the full requirement of R.A. No. 6758 have been satisfied and provided fully in the budget as certified by the Budget Officer and the COA representative in the LGU concerned;
- c. That the LGU has fully implemented the devolution of personnel/functions in accordance with the provisions of R.A. No. 7160.
- d. That the LGU has already created mandatory positions prescribed in R.A. No. 7160; and
- e. That similar allowances/additional compensation are not granted by the national government to the officials/employees assigned to the LGU.

#### ON POSITION CLASSIFICATION

*SECTION 4. Staffing Pattern* - The staffing pattern as designed by the LGUs in accordance with the minimum standards and guidelines prescribed by the Civil Service Commission shall contain classes of positions that conform with the classes of positions established under R.A. No. 6758. Classes of positions not consistent thereof shall be subject to approval by the DBM through the Compensation and Position Classification Bureau.

- a. In seeking approval for the creation of new class title, the following documents/information in support of the request shall be submitted to the DBM:
  - (i) justifications for the creation of the new class title;