

[EXECUTIVE ORDER NO. 389, December 28, 1996]

IMPLEMENTING THE FOURTH AND FINAL YEAR SALARY INCREASES AUTHORIZED BY JOINT SENATE AND HOUSE OF REPRESENTATIVES RESOLUTION NO. 1, SERIES OF 1994

WHEREAS, Congress through RA No. 8244 has appropriated the amount of Twenty-Seven Billion Pesos (P27,000,000,000), or so much thereof as may be necessary, for the fourth and final year of implementation of the salary increases authorized by Joint Senate-House of Representatives Resolution No. 01, Series of 1994, for all national government civilian and uniformed personnel, in two (2) payments: 1) effective January 1, 1997 equivalent to fifty percent (50%) of the unimplemented balance as of December 31, 1996 of the basic pay corresponding to the Salary Grade concerned, and 2) effective November 1, 1997 the remaining fifty percent (50%) of said unimplemented balance to effect full salary adjustment;

WHEREAS, the government has adopted with some modifications the Salary Schedule in the revised Compensation and Position Classification System for the government recommended by Congress through said Joint Resolution No. 01 for implementation within four (4) years or not later than 1997;

WHEREAS, through said Joint Resolution the Senate and House of Representatives have also categorically recognized and acknowledged the authority of the President of the Philippines to revise the existing Compensation and Position Classification System in the government under the standards and guidelines therein provided;

WHEREAS, it has been determined more appropriate for an effective compensation administration to adopt a 33-Grade Salary Schedule instead of the 35-Grade Salary Schedule recommended by Congress;

WHEREAS, said Salary Schedule as modified to 33-Salary Grades was partially implemented in 1994, 1995 and 1996 through Executive Order Nos. 164, 218 and 290, respectively;

WHEREAS, consultations have also been made with various leagues of local government units regarding the full implementation of the said Salary Schedule.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, P.D. No. 985, P.D. No. 1597, RA No. 6758, RA No. 8244 and said Joint Resolution No. 1 of Congress, do hereby order and direct:

SECTION 1. Salary Schedule. The 35-Grade Salary Schedule for Civilian personnel recommended by Congress through Senate-House of Representatives Joint Resolution No. 1, s. 1994, and adopted under Executive Order No. 164, dated March

7, 1994 with modifications, is hereby modified to 33-Grades Salary Schedule consistent with those prescribed in RA No. 6758.

SECTION 2. Full Implementation. The Department of Budget and Management is hereby directed to implement in full in FY 1997 the remaining balance of said Salary Schedule after the partial implementation made of the same in 1994, 1995 and 1996 to Civilian and uniformed personnel, as follows:

1. For Civilian Personnel

a. **Effective January 1, 1997** = in accordance with the **Fourth Interim Salary Schedule** hereto attached and marked as Annex A of this Order. The adjustment shall be to the designated salary step of the employee in the salary grade allocation of his position as of December 31, 1996;

b. **Effective November 1, 1997** = in accordance with the attached **Salary Schedule** marked as Annex B of this Order. The adjustment shall be to the designated salary step of the employee in the salary grade allocation of his position as of October 31, 1997.

2. For Uniformed Personnel

In accordance with the attached Fourth Interim Salary Schedule marked as Annex C of this Order for the implementation effective January 1, 1997 and with the Salary Schedule marked as Annex D for the full implementation effective November 1, 1997.

SEC. 3. Coverage and Exemption. This Order shall cover only officials and employees of the National Government Agencies (NGAs), Government-Owned and/or Controlled Corporations (GOCCs), Government Financial Institutions (GFIs) and Local Government Units (LGUs) whose basic salaries conform to the Third Interim Salary Schedule prescribed under Executive Order No. 290, dated January 2, 1996. Officials and employees of agencies who are exempted by law from the Compensation and Position Classification System and/or do not follow the Salary Schedule prescribed for government personnel are not entitled to the salary increases authorized herein.

SEC. 4. Salary Grade Allocation of Positions. The salary grade allocation of positions pursuant to RA No. 6758 shall be maintained.

SEC. 5. Continuation of the Personnel Economic Relief Allowance (PERA) and Additional Compensation (ADCOM). The PERA and ADCOM authorized under R.A.. No. 7078 and Administrative Order No. 53, respectively, shall continue to be paid as allowances and not integrated into the basic pay.

SEC. 6. Transition Allowance. The transition allowance resulting from the implementation of RA No. 6758 and other personnel and compensation actions thereafter, including the "over and above allowance" of public school teachers and related personnel shall be considered as advance payment of the salary increases authorized herein; *Provided*, That, in the case of public school teachers and related personnel said "over and above allowance" shall first be added to the salary rate in the equivalent salary grade and step under the Salary Schedule marked Annex B before determining the appropriate salary step in the salary grade allocation of their position in the new Salary Schedule.