

**[DBM LOCAL BUDGET CIRCULAR NO. 69, March
21, 2000]**

**GUIDELINES FOR THE GRANT OF TEN PERCENT (10%) SALARY
ADJUSTMENT TO PERSONNEL IN THE LOCAL GOVERNMENT
EFFECTIVE JANUARY 1, 2000**

1.0 PURPOSE

This Circular is being issued to prescribe rules and regulations to govern the implementation of new Salary Schedules in the Local Government as mandated under Executive Order No. 219 dated March 20, 2000, providing for a 10% salary adjustment over the monthly basic salaries as of December 31, 1999 of government personnel, effective January 1, 2000.

2.0 Coverage

All positions whether permanent, temporary, contractual, casual or emergency in nature, appointive or elective, on full-time or part-time basis, now existing or hereafter created in the Local Government Units (LGUs).

3.0 EXEMPTIONS

3.1 Consultants and experts hired by local government units for a limited period to perform specific activities or services with expected outputs, who will continue to be compensated pursuant to existing applicable laws, rules and regulations until these are revised or amended.

3.2 Student laborers and apprentices and others similarly situated who will continue to be compensated pursuant to existing applicable laws, rules and regulations until these are revised or amended.

3.3 Laborers hired as part of a contract (pakiao), those paid on piecework basis, including mail contractors, and others similarly situated.

4.0 DEFINITION OF TERMS

4.1 The present salary of an incumbent, for purposes of this Circular, shall mean the actual basic salary rate received as of December 31, 1999, inclusive of transition allowance, but exclusive of Personnel Economic Relief Allowance (PERA), Additional Compensation (ADCOM), Representation and Transportation Allowances (RATA), year-end bonus and cash gift, honoraria, the 20% premium over the basic pay of contractual personnel and any other forms of additional compensation usually paid in addition to basic salary.

4.2 Transition allowance shall mean the excess of the present salary over the eighth step of the salary grade allocation of the employee's position.

5.0 THE SALARY SCHEDULES

The salary rates are hereby adjusted effective January 1, 2000 as indicated in the attached Salary Schedules (SS) marked as Annexes A to H. These SS have been prepared in strict conformance with Section 10 of RA 6758.

6.0 COMPENSATION RULES

6.1 The salary grades in the SS prescribed under RA 6758 and the corresponding salary grade allocation of positions pursuant thereto shall be maintained.

6.2 Incumbents of positions shall receive the salary rates corresponding to their designated salary steps in the salary grade allocation of their positions as of December 31, 1999.

6.3 Appointments effective January 1, 2000 and thereafter shall be at the first step of the salary grade allocation of the position in the applicable SS prescribed in item 5.0 hereof. In case the appointee has previously received under an approved permanent appointment, a salary higher than the first step of the salary grade allocation, the existing salary rules shall apply as contained in Annex "C" of LBC 64 dated January 22, 1997.

6.4 Pursuant to RA 7305, the salary rates of devolved and organic Public Health Workers (PHWs) shall be as indicated in Annex A, notwithstanding the income classification of the LGUs where they are assigned.

6.5 Devolved personnel, except the PHWs, whose salaries are now equal to/the same as their organic local counterparts, shall be entitled to the same adjusted salary as their counterpart organic local personnel.

6.6 The transition allowance shall be considered as advance entitlement of the salary increase herein authorized. Any excess thereafter shall be deducted from whatever salary adjustments that such employee may be authorized in the future. (Illustrative Examples A and A - 1)

6.7 The PERA and ADCOM shall continue to be paid as allowances and are not considered integrated into the basic salary rates contained in the SS referred to in item 5.0 hereof, and therefore not subject to tax.

6.8 Contractual employees whose salaries are paid out of lump-sum appropriations or project funds shall be entitled to salary adjustment corresponding to their comparable regular positions (Illustrative Example B). In accordance with the general provisions of RA 8760, the FY 2000 GAA, contractual personnel shall no longer be entitled to the 20% premium over the basic pay.

6.9 The wage rates of daily paid employees shall be computed by dividing the monthly salary rate shown in the SS indicated under item 5.0 hereof by twenty-two (22) working days, provided that the total wages received by a daily paid employee in a month shall not exceed said monthly salary rate.

6.10 The appropriate rates contained in the said SS, as the case may be, shall be used as basis for computing retirement pay, year-end bonus and other similar benefits.

6.11 In the event that local funds will not be sufficient to implement the SS prescribed for its income class, implementation of salary adjustments under this