

[ **EXECUTIVE ORDER NO. 77, May 08, 2012** ]

**AMENDING EXECUTIVE ORDER (EO) NO. 637 (S. 2007), ON THE BASIS OF THE COMPUTATION OF THE INCENTIVES OF PERSONNEL AFFECTED BY THE IMPLEMENTATION OF THE RATIONALIZATION PROGRAM UNDER EO NO. 366 (S. 2004)**

**WHEREAS**, Executive Order (EO) No. 366 (s. 2004) calls for a Rationalization Program (RP) to transform the Executive Branch into a more effective and efficient government by removing redundancies, overlaps and duplication, focusing its efforts on vital functions, and channeling resources to core public services;

**WHEREAS**, personnel affected by the implementation of the Rationalization Program under EO No. 366 have the option to either: (a) remain in their mother agency if their skills are still needed and there are positions where they can be accommodated; (b) be redeployed to other agencies needing additional personnel, without reduction in salary; or (c) retire/separate with the applicable incentives;

**WHEREAS**, EO No. 637 (s. 2007) provides that the incentives of personnel who may be affected by the rationalization efforts and would avail of the retirement/separation/unemployment benefits starting 01 July 2007 or a later date under Republic Act (RA) No. 660 (*An Act to Amend Commonwealth Act Numbered One Hundred and Eighty-Six entitled "An Act to Create and Establish a Government Service Insurance System, to Provide for its Administration, and to Appropriate the Necessary Funds Therefor," and to Provide Retirement Insurance and for Other Purposes*) or RA No. 8291 (*An Act Amending Presidential Decree No. 1146, as Amended, Expanding and Increasing the Coverage and Benefits of the Government Service Insurance System, Instituting Reforms Therein and for Other Purposes*), shall be *computed* using the actual monthly salary of said personnel as of 30 June 2007;

**WHEREAS**, the salaries of government workers have been increasing since 2007 pursuant to EO No. 611 (s. 2007), EO No. 719 (s. 2008), and Senate and House of Representatives Joint Resolution No. 4 (s. 2009), as implemented by EO No. 811 (s. 2009), EO No. 900 (s. 2010), and EO No. 40 (s. 2011); and,

**WHEREAS**, there is a need to improve the basis for the computation of EO No. 366 incentives in recognition of the services of personnel affected by the RP.

**NOW, THEREFORE, I, BENIGNO S. AQUINO III**, President of the Philippines, by virtue of the powers vested in me by the Constitution and by law, do hereby order the following:

**SECTION 1. Revised Guidelines in the Computation of Incentives.** The incentives that shall be received by personnel who will be affected by the RP under EO No. 366 and opt to avail of the retirement benefit under RA No. 660 or the applicable retirement/separation/unemployment benefit provided under RA No. 8291 shall be computed using their actual monthly salary as of 31 December 2011.

The incentive factors under EO No. 366 shall continuously be adopted. For the purpose of computing the total amount of incentive, only the government service of