

[LETTER OF IMPLEMENTATION NO. 116, May 12, 1980]

GRANTING A COST OF LIVING ALLOWANCE TO GOVERNMENT EMPLOYEES

WHEREAS, the energy crisis has brought about world wide inflation and tremendously increased cost of living in the country;

WHEREAS, it is the policy of government to help augment government personnel income in times of economic crisis and inflation;

WHEREAS, P.D. No. 985 empowers the President to determine the compensation of government employees;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby. Direct and Order:

1. Each and every official/employee of the National Government, including state universities and colleges, whether permanent, temporary, emergency, contractual or casual, shall be granted a cost of living allowance of ₱3.35 a day or ₱100 per month in the case of daily or monthly employees, respectively.
2. Local government units may grant full or in part the cost of living allowance authorized under this Letter to their employees, subject to the limits of their financial position and under such conditions as may be determined by the Joint Commission on Local Government Personnel Administration.
3. The Compensation Committee created by P.D. No. 985 for government owned or controlled corporation shall immediately meet and determine compensation increases for their respective groups. No government owned or controlled corporations may authorize and implement any increase in salary/allowances/benefits without the approval of the Compensation Committee concerned. The following guidelines shall be observed by the Committees in their work:
 - a. The cost of living allowance directed by this Letter for national government employees may be authorized for employees of government owned or controlled corporations;
 - b. In lieu of the cost of living allowance and where corporate finances permit, the Compensation Committed may instead adopt measures for compensation increase that are consistent with and with and do not exceed the limits agreed upon for private enterprises in the 1980 Tri-Sectoral Meeting;
 - c. No increase in salary/allowances shall be authorized which will make the salary/allowance of a subordinate exceed that of his superior;
 - d. Any increase in basic salary/allowance of the top three (3) levels of corporate executives shall be subject to the approval