

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

First Regular Session

Thirteenth Congress

HOUSE BILL NO. 2295



Introduced by MONICO O. PUENTEVELLA

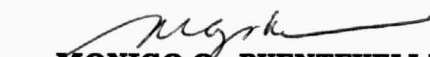
EXPLANATORY NOTE

Republic Act 6758, otherwise known as the Compensation and Position Classification Act of 1989, was enacted in 1989 as a means of rationalizing the functions, qualifications and compensation of government employees, ensuring that all will have access to fair and just compensation.

Unfortunately, some, if not most of our government owned or controlled corporations (GOCCs) and government financial institutions (GFIs) have, by way of their respective charters, managed to have themselves exempted from RA 6758. With their officials and employees receiving salaries, allowances and benefits more than three, five or even ten times than that of their counterparts having the same rank and position in other government offices and agencies.

This situation has caused demoralization among government employees. Moreover, there are certain cases wherein these GOCCs and GFIs have come close to abusing their exemption from RA 6758, pegging the salaries, allowances and benefits of their officials and employees to very exorbitant levels such as in the case of GSIS and SSS, to the detriment of the ordinary member who faces the prospect of seeing these institutions close to insolvency.

This bill seeks to provide the rationalization of salaries, allowances and benefits of officials and employees of GOCCs and GFIs which, by virtue of their charters, are exempted from RA 6758. In the interest of fairness and justice, the approval of this bill is earnestly sought.


MONICO O. PUENTEVELLA

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Quezon City**

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**AN ACT
PROVIDING FOR THE RATIONALIZATION OF SALARIES,
ALLOWANCES AND BENEFITS OF OFFICIALS AND EMPLOYEES OF
GOVERNMENT OWNED OR CONTROLLED CORPORATIONS AND
GOVERNMENT FINANCIAL INSTITUTIONS EXEMPTED FROM THE
COMPENSATION AND POSITION CLASSIFICATION SYSTEM.**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. All officials and employees of government owned or controlled corporations and government financial institutions which, by virtue of their Charters, are exempted from the Compensation and Position Classification System providing for the salary standardization of government employees shall receive compensation of no more than twice the salaries of equivalent ranks and positions in other government agencies.

SEC. 2. All allowances, such as the representation and travel allowances, cost of living allowances and the like including other benefits and remunerations shall likewise not exceed twice the amount prescribed by the Civil Service Commission and the Department of Budget and Management as per position or level.

SEC. 3. Retirement packages, health, hospitalization and death benefits and other incentives of these GOCCs and GFIs are also not to exceed twice the amount presently being received by the government rank and file from the GSIS, SSS, Philhealth or any medical and life insurance company covering the in-house requirements of these GOCCs and GFIs.

SEC. 4. All increases in salaries, allowances and benefits must be in accordance to the Compensation and Position Classification system.

SEC. 4. Incumbent officials and employees of GOCCs and GFIs not covered by the Compensation and Position Classification system but not receiving more than twice the salary, allowances and benefits of equivalent rank or position in other government agencies at the time of effectivity of this Act shall continue to receive such: Provided, that subsequent increases shall be in accordance with the salary prescribed under this Act.

SEC. 5. The government owned or controlled corporations and government financial institutions concerned shall, within thirty (30) days upon effectivity of this Act, shall submit a rationalized salary, allowance and benefit plan for their respective officials and employees to the Department of Budget and Management.

SEC. 6. The Department of Budget and Management shall issue the necessary guidelines for the implementation of this Act with the governing executive order to be issued by the Office of the President.

SEC. 7. All laws, corporate charters, decrees, orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 8. This Act shall take effect immediately upon its approval.

Approved,