

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 5702



Introduced by REP. PROSPERO A. PICHAY, JR.

EXPLANATORY NOTE

In line with the Salary Standardization Law in 1989, there have been two stages of salary correction and upgrade. SSL I and II established a single salary structure across government and increased basic salaries across salary grades. Due to this, compensation in the general administrative and technical positions came within reach of their counterparts in the private sector. However, glaring disparity still remained in the executive and managerial levels, with the highest CESO title receiving a salary almost only half of a mid-ranking executive post in the private sector. Listed below are the assigned salary grades and corresponding pay of our Career Executive Service Officials (CESOs) in the Salary Schedule for Civilian Personnel, which took effect in July 2001.

CESO Rank	Salary Grade	Salary based on SSL II (Steps 1-8)
CESO I	30	Php 28,875 – 34,323
CESO II	29	Php 25,333 – 30,113
CESO III	28	Php 24,359 – 28,955
CESO IV	27	Php 23,422 – 27,842
CESO V	26	Php 22,521 – 26,771
CESO VI	25	Php 21,655 – 25,742

Source: DBM

The illustration above shows that our undersecretaries, assistant secretaries, bureau directors, bureau assistant directors, regional directors, assistant regional directors, department service chiefs and other executive and managerial posts subsist on a maximum salary of Php 34,323.00. This is grossly incongruent to the service they render as public managers and patently insufficient to support their respective families thus the need to establish a more competitive and realistic salary scheme for our Career Executive Service (CES) Officials.

On an obvious and pragmatic level, the purchasing power has continuously spiraled down with the amount of P34,323 today having only 73% worth of its value back in 2000. Expenditures such as food, clothing, personal care and effects, education, utilities and fuel have also skyrocketed since the implementation of SSL II. A CESO heading a family of five can lead a barely decent life with his present salary but not a fairly comfortable one which he rightly deserves and obviously aspired for hence his hard-earned qualifications.

But above and beyond the indisputable fact that the SSL II is outdated and out of step with the financial realities of today, this measure also desires to accord a level of appreciation commensurate to the qualifications and sacrifices of our government executives and managers. These are highly skilled civil servants who further persevered to have the aptitude, training, and credentials, specifically in techniques and processes of management, required of CES positions.

It is also fitting to argue that if executives in some government-owned and controlled corporations (GOCC) already enjoy more competitive and realistic compensation, so must all other government executives be given such remuneration. After all, they belong to one skill group, performing comparatively similar duties and responsibilities.

Moreover, the financial rewards offered for the senior posts in the public sector are derisory to entice and retain the best and brightest; the salary for the top-level officials is too

meager to interest the elite of executives and managers to even consider working in the public sphere nor is it enough to deter or prevent corrupt practices in bureaucracies, which encumbers the effective functioning of the government and bleeds dry the state coffers.

Likewise, on the principle that they bear the same substantial responsibilities as those of CES-eligible and, to all intents and purposes, as able as CESOs, salary adjustments must also be made for non-CESOs incumbent of CES positions. Therefore, a two-tiered salary scheme for government executives is proposed to redress the initial oversight of Salary Schedule II and set it in concordance with present-day realities: the first tier for Career Executive Service Officials grants a 150% adjustment from the present rate for CES positions and the second tier posts a 100% adjustment for non-CESOs incumbent of CES positions.

For the essential purpose of creating a deep and extensive trove of qualified and proficient professionals at the helm of our bureaucracies, the passage of this measure is fervently sought.

PROSPERO A. PICHAY, JR.



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AN ACT
ESTABLISHING A MORE COMPETITIVE AND REALISTIC SALARY SCHEME FOR
CAREER EXECUTIVE SERVICE (CES) OFFICIALS

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

SECTION 1. Title. – This Act shall be known and cited as an “Act Establishing a More Competitive and Realistic Salary Scheme for Career Executive Service (CES) Officials.

SECTION 2. New Salary Structure for Government Executives. – A two-tiered salary structure is hereby adopted providing a higher salary schedule for Career Executive Service Officers or CESOs in recognition of the efforts made by these group of executives to upgrade their qualifications to the level required by the Career Executive Service Board for senior government officials. The new salary schedule shall be as follows:

1. Salary Schedule for Career Executive Service Officers (CESOs)

CESO Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
CESO VI	54,138	55,493	56,878	58,303	59,758	61,253	62,783	64,355
CESO V	56,303	57,710	59,155	60,633	62,148	63,700	65,295	66,928
CESO IV	58,555	60,020	61,523	63,057	64,633	66,250	67,905	69,605
CESO III	60,898	62,420	63,983	65,580	67,215	68,898	70,623	72,388
CESO II	63,333	64,917	66,538	68,203	69,910	71,658	73,448	75,283
CESO I	72,187	73,993	75,845	77,738	79,683	81,675	83,715	85,808

2. Salary Schedule for Non-CESO incumbent of CES Positions

CESO Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
CESO VI	43,310	44,394	45,502	46,642	47,806	49,002	50,226	51,484
CESO V	45,042	46,168	47,324	48,506	49,718	50,960	52,236	53,542
CESO IV	46,844	48,016	49,218	50,446	51,706	53,000	54,324	55,684
CESO III	48,718	49,936	51,186	52,464	53,774	55,118	56,498	57,910
CESO II	50,666	51,934	53,230	54,562	55,928	57,326	58,758	60,226
CESO I	57,750	59,194	60,676	62,190	63,746	65,340	66,972	68,646

SECTION 3. Funding. – The amount necessary for the implementation of this Act is hereby beginning January 01, 2007.

SECTION 4. Rules and Regulations. – The Career Executive Service Board shall promulgate the rules and regulations necessary to implement the provisions of this Act.

SECTION 5. Repealing Clause. – All existing laws, decrees, executive orders, letters of instruction, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 6. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the Official gazette or in at least two (2) national newspapers of general circulation.

Approved,