

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS

First Regular Session

House Bill No. **5496**



Introduced by **HON. ROZZANO RUFINO B. BIAZON**

EXPLANATORY NOTE

This proposal seeks to exempt the Bureau of Customs and the Bureau of Internal Revenue from the coverage of Republic Act No. 6758, otherwise known as the "Compensation and Position Classification Act of 1989", or the "Salary Standardization Law". It is similar to House Bill No. 4973 filed by House Speaker Pantaleon D. Alvarez and Representative Dakila Carlo E. Cua entitled "An Act Exempting the Bureau of Internal Revenue from the Coverage of Republic Act No. 6758, Otherwise Known as the Salary Standardization Law, As Amended, And For Other Purposes".

Both the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) are agencies tasked to collect taxes and enforce tax laws in the country. They have always registered high in the graft and corruption meter. In order to drastically reduce, if not totally eliminate graft and corruption in these agencies, a system for better recruitment and retention of personnel and the standardization of services should thus be employed in both agencies. It is hoped that this proposed legislation, if passed into law, would further strengthen and capacitate the officials and personnel of the BOC and the BIR for better, more efficient revenue collection.

For these reasons, immediate approval of this bill is earnestly sought.


ROZZANO RUFINO B. BIAZON
Representative
Lone District of Muntinlupa City

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Introduced by **HON. ROZZANO RUFINO B. BIAZON**

AN ACT

EXEMPTING THE BUREAU OF CUSTOMS AND THE BUREAU OF INTERNAL REVENUE FROM THE COVERAGE OF REPUBLIC ACT NO. 6758, OTHERWISE KNOWN AS THE SALARY STANDARDIZATION LAW, AS AMENDED, AND FOR OTHER PURPOSES

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

SECTION 1. *Declaration of Policy.* – It is the policy of the State to reform tax administration and ensure efficient and effective collection of taxes by employing and maintaining competent and professional revenue and customs officials and personnel to collect taxes and enforce internal revenue and customs tax laws. Towards this end, the State shall come up with reasonable, justifiable and appropriate remuneration schemes for the officers and employees of its revenue generating agencies to enable these agencies to hire competent and professional public servants and to prevent or deter the granting of unconscionable and excessive remuneration packages.

SEC. 2. *Compensation and Classification System for the Bureau of Customs (BOC) and the Bureau of Internal Revenue (BIR).* – The Department of Finance (DOF), after conducting a compensation study, shall develop a Compensation and Position Classification System which shall apply to all officers and employees of the BOC and the BIR whether under the Salary Standardization Law or exempt therefrom and shall consist of classes of positions grouped into such categories as the DOF may determine, subject to the approval of the President.

SEC. 3. *Position Titles and Salary Grades.* – All positions in the Positions Classification System, as determine by the DOF and as approved by the President, shall be allocated to their proper position titles and salary grades in accordance with an Index of Occupational Services, Position Titles and Salary Grades of the Compensation and Position Classification System, which shall be prepared by the DOF and approved by the President.

The following principles shall govern the Compensation and Position Classification System:

(a) BOC and BIR personnel shall be paid just and equitable wages in accordance with the principle of equal pay for work of equal value;

(b) Basic compensation for BOC and BIR personnel shall generally be comparable with those in the private sector doing comparable work and qualifications and must be in accordance with prevailing laws on minimum wages. The total compensation provided for BOC and BIR personnel shall be maintained at a reasonable level with due regard to the provisions of existing compensation and position classification laws;

(c) The BOC and the BIR Compensation and Position Classification System shall be determined through a comprehensive analysis and audit of actual duties and responsibilities of both Bureau's officials and employees; and

(d) A review of government compensation rates, taking into account the performance of the respective Bureaus, their overall contribution to the national economy, and the possible erosion in purchasing power due to inflation and other factors, shall be conducted periodically.

SEC. 4. *Incentives to Bureau Officials and Personnel.* – The BOC and the BIR, subject to the approval of the President, may provide for other incentives not provided under existing laws and Civil Service laws.

SEC. 5. *Approval of the President.* – The BOC and the BIR Compensation and Position Classification System implemented pursuant to this Act shall be approved by the President, and shall be subject to periodic review by the Department of Finance (DOF), in consultation with the Department of Budget and Management (DBM) and the Civil Service Commission (CSC), not more than once every three (3) years, without prejudice to yearly merit reviews or increases based on performance.

SEC. 6. *Non-diminution of Salaries.* – The BOC and the BIR Compensation and Position Classification System to be developed and recommended by the DOF, as approved by the President, shall apply to all positions, on full or part-time basis, now existing or hereafter created; *Provided*, That in no case shall there be any diminution in the authorized salaries of incumbent employees of the BOC and the BIR upon the implementation of the approved BIR and BOC Compensation and Position Classification System.

SEC. 7. *Appropriation Clause.* – The amount necessary to implement this Act shall be included in the General Appropriations Act of the year following its enactment into law.

SEC. 8. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SEC. 9. *Repealing Clause.* – All laws, decrees, issuances, rules and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,