

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 4589



Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III

EXPLANATORY NOTE

While there has been an almost two-fold increase in the compensation package of thousands of civil servants all over the country, their income remains uncompetitive as compared to that of the private sector. It is necessary to modify and update the existing salary schedule to further encourage excellent performance and productivity, and to clearly distinguish differences in levels of responsibility and accountability among government officials and employees. It should also be taken into account the diminishing purchasing power of government employees having no change in the salary they are receiving while prices of commodities and services continue to rise.

Thus, this measure seeks to reinvent the government's bureaucratic structure and salary schedule. This will take into consideration a rationalized system that equates pay with work responsibility and skill, among others. Such a system will create an environment of fairness and motivation which will inculcate professionalism in the workplace. The long-practiced motivational system in the private sector in granting promotions and salary increases based on performance evaluation will be institutionalized in this measure as a means of advancing efficiency and competency amongst the workforce. Most importantly, the reclassified compensation framework in this bill will further the thrust of our leadership to make the remuneration of government workers more competitive and at par with the prevailing rate in the private sector so that more talented and skilled employees will be attracted to join the government workforce.

In view of the foregoing, the immediate approval of this bill is earnestly sought.

A handwritten signature in black ink, appearing to be "M. Cabochan III".

MANUEL DG. CABOCHAN III
Representative
Magdalo Para sa Pilipino Party-List

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House Bill No. _____

Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III

AN ACT
MODIFYING THE SALARY SCHEDULE FOR CIVILIAN GOVERNMENT
PERSONNEL AND AUTHORIZING THE GRANT OF ADDITIONAL BENEFITS

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

1 **SECTION 1. Title** – This Act shall be known as the “Salary Standardization Law V”.

2
3 **SEC. 2. Declaration of Policy** – Pursuant to the constitutional mandate that the State
4 shall provide for the standardization of salary of government officials and employees,
5 including those in government-owned or controlled corporations with original charters,
6 taking into account the nature of duties and responsibilities pertaining to and the
7 qualifications required for their positions, the State shall:

8 a) Implement a salary schedule that is generally comparable with those in the private
9 sector doing comparable work and in accordance with the provision of existing
10 salary and position classification laws, in order to attract, retain and motivates a
11 corps of competent civil servants;

12 b) Keep the salary for government personnel fair and reasonable in recognition of
13 fiscal realities and maintain personal services cost at a reasonable proportion of
14 overall expenditures; and

1 c) Conduct a periodic review of the salary and position classification system taking
2 into account the changes in skills and competency requirements and the possible
3 erosion in the purchasing power due to inflation, and other factors.
4

5 **SEC. 3. Coverage** – The modified Salary Schedule authorized herein shall apply to all
6 civilian personnel in the Executive, Legislative and Judicial Branches, Constitutional
7 Commissions and other Constitutional Offices, Government-Owned or Controlled
8 Corporations (GOCCs) not covered by RA No. 10149, and local government units (LGUs),
9 regardless of appointment status, whether regular, contractual or casual, appointive or
10 elective, and on full-time or part-time basis, now existing or hereafter created.
11

12 **SEC. 4. Modified Salary Schedule, including Step Increments** – The modified
13 Salary Schedule for Civilian Personnel, to be implemented in three (3) tranches, shall be as
14 follows:

First Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	12,175	12,276	12,379	12,483	12,587	12,692	12,799	12,905
2	12,937	13,036	13,136	13,237	13,339	13,441	13,544	13,648
3	13,713	13,818	13,924	14,032	14,139	14,247	14,357	14,467
4	14,535	14,648	14,760	14,873	14,988	15,102	15,219	15,335
5	15,408	15,527	15,645	15,765	15,886	16,008	16,132	16,255
6	16,332	16,457	16,584	16,711	16,840	16,969	17,100	17,230
7	17,312	17,445	17,579	17,714	17,850	17,987	18,125	18,264
8	18,434	18,601	18,769	18,939	19,109	19,282	19,457	19,633
9	19,773	19,938	20,105	20,273	20,442	20,613	20,786	20,959
10	21,156	21,333	21,512	21,692	21,872	22,056	22,240	22,426
11	22,829	23,142	23,460	23,781	24,107	24,438	24,772	25,112
12	25,232	25,544	25,861	26,181	26,506	26,835	27,167	27,503
13	27,755	28,100	28,447	28,799	29,157	29,517	29,883	30,253
14	30,531	30,909	31,292	31,680	32,072	32,469	32,871	33,278
15	33,584	34,000	34,421	34,848	35,279	35,716	36,158	36,607
16	36,942	37,400	37,863	38,332	38,807	39,288	39,775	40,267
17	40,636	41,140	41,649	42,165	42,688	43,217	43,751	44,294
18	44,701	45,254	45,815	46,382	46,957	47,539	48,127	48,723
19	49,796	50,609	51,435	52,274	53,128	53,995	54,877	55,772

20	56,271	57,188	58,122	59,070	60,035	61,015	62,010	63,022
21	63,586	64,623	65,678	66,749	67,839	68,946	70,071	71,215
22	71,851	73,024	74,216	75,427	76,658	77,910	79,181	80,473
23	81,192	82,517	83,864	85,232	86,624	88,037	89,474	90,935
24	91,747	93,244	94,766	96,313	97,885	99,483	101,107	102,757
25	104,591	106,299	108,033	109,797	111,588	113,410	115,261	117,142
26	118,188	120,117	122,078	124,070	126,095	128,153	130,244	132,371
27	133,552	135,732	137,948	140,199	142,487	144,813	147,177	149,579
28	150,915	153,377	155,881	158,425	161,010	163,639	166,310	169,024
29	170,533	173,317	176,145	179,021	181,942	184,912	187,930	190,997
30	192,702	195,847	199,044	202,293	205,594	208,951	212,361	215,827
31	283,590	289,128	294,776	300,533	306,404	312,388	318,490	324,710
32	338,102	344,920	351,876	358,972	366,211	373,596	381,131	388,817
33	426,906	439,713						

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Second Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	13,392	13,504	13,617	13,731	13,846	13,961	14,078	14,196
2	14,231	14,340	14,450	14,561	14,672	14,785	14,899	15,012
3	15,084	15,200	15,316	15,435	15,553	15,672	15,793	15,914

4	15,989	16,112	16,236	16,360	16,486	16,612	16,740	16,869
5	16,948	17,079	17,210	17,342	17,475	17,609	17,745	17,880
6	17,965	18,103	18,242	18,382	18,524	18,665	18,809	18,953
7	19,043	19,189	19,337	19,486	19,635	19,786	19,937	20,091
8	20,277	20,461	20,646	20,833v	21,020	21,210	21,402	21,596
9	21,750	21,931	22,115	22,300	22,487	22,674	22,864	23,055
10	23,272	23,467	23,663	23,861	24,060	24,262	24,464	24,668
11	25,112	25,456	25,806	26,159	26,517	26,881	27,249	27,623
12	27,755	28,099	28,447	28,799	29,156	29,518	29,883	30,254
13	30,531	30,909	31,292	31,679	32,072	32,469	32,871	33,279
14	33,584	34,000	34,421	34,848	35,279	35,716	36,158	36,606
15	36,943	37,400	37,863	38,333	38,807	39,287	39,774	40,268
16	40,637	41,140	41,649	42,165	42,688	43,216	43,752	44,293
17	44,700	45,254	45,814	46,382	46,956	47,538	48,127	48,723
18	49,171	49,779	50,397	51,020	51,652	52,293	52,940	53,596
19	54,775	55,670	56,578	57,502	58,441	59,394	60,364	61,349
20	61,898	62,907	63,934	64,977	66,038	67,116	68,211	69,325
21	69,944	71,085	72,245	73,424	74,623	75,840	77,078	78,337
22	79,036	80,326	81,637	82,970	84,324	85,701	87,099	88,520
23	89,311	90,768	92,250	93,756	95,286	96,841	98,421	100,028
24	100,921	102,568	104,243	105,944	107,673	109,431	111,217	113,032
25	115,050	116,928	118,837	120,776	122,747	124,751	126,787	128,857

26	130,007	132,128	134,286	136,477	138,705	140,969	143,269	145,608
27	146,907	149,306	151,742	154,219	156,736	159,294	161,894	164,537
28	166,006	168,715	171,469	174,268	177,111	180,003	182,941	185,926
29	187,586	190,649	193,760	196,923	200,136	203,403	206,722	210,097
30	211,973	215,432	218,948	222,523	226,154	229,846	233,597	237,409
31	311,949	318,041	324,253	330,587	337,044	343,627	350,339	357,181
32	371,912	379,412	387,063	394,869	402,832	410,956	419,244	427,699
33	469,596	483,684						

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Third Tranche

Salary Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	14,732	14,854	14,979	15,104	15,231	15,357	15,486	15,615
2	15,654	15,774	15,895	16,017	16,140	16,263	16,389	16,514
3	16,592	16,720	16,848	16,978	17,109	17,239	17,372	17,505
4	17,588	17,724	17,859	17,996	18,135	18,273	18,414	18,555
5	18,643	18,787	18,931	19,076	19,222	19,370	19,519	19,668
6	19,761	19,913	20,066	20,221	20,376	20,532	20,690	20,849
7	20,947	21,108	21,271	21,434	21,598	21,765	21,931	22,100
8	22,305	22,507	22,711	22,916	23,122	23,331	23,543	23,756
9	23,925	24,124	24,327	24,530	24,735	24,942	25,151	25,361

10	25,599	25,813	26,029	26,247	26,466	26,688	26,910	27,135
11	27,624	28,002	28,386	28,775	29,169	29,569	29,974	30,385
12	30,530	30,908	31,292	31,679	32,071	32,470	32,872	33,279
13	33,584	34,000	34,421	34,847	35,279	35,716	36,1	
14	36,942	37,400	37,863	38,333	38,807	39,287	39,774	40,267
15	40,637	41,140	41,650	42,166	42,688	43,216	43,751	44,294
16	44,700	45,254	45,814	46,381	46,956	47,538	48,128	48,723
17	49,170	49,779	50,396	51,020	51,652	52,292	52,939	53,595
18	54,088	54,757	55,436	56,122	56,818	57,522	58,234	58,955
19	60,253	61,237	62,236	63,252	64,285	65,333	66,401	67,484
20	68,087	69,197	70,327	71,475	72,642	73,828	75,032	76,257
21	76,938	78,194	79,470	80,766	82,085	83,424	84,786	86,170
22	86,940	88,358	89,801	91,267	92,756	94,271	95,809	97,372
23	98,242	99,845	101,475	103,131	104,815	106,525	108,264	110,031
24	111,013	112,825	114,667	116,538	118,440	120,374	122,339	124,335
25	126,555	128,621	130,720	132,854	135,022	137,226	139,466	141,742
26	143,008	145,341	147,714	150,125	152,575	155,065	157,596	160,169
27	161,598	164,236	166,917	169,641	172,410	175,223	178,084	180,991
28	182,607	185,587	188,616	191,695	194,822	198,004	201,235	204,519
29	206,345	209,714	213,136	216,615	220,150	223,744	227,395	231,107
30	233,170	236,975	240,843	244,775	248,769	252,830	256,956	261,150
31	343,144	349,845	356,679	363,645	370,749	377,989	385,372	392,899

32	409,103	417,354	425,770	434,356	443,115	452,052	461,169	470,469
33	516,556	532,053						

SEC. 5. Compensation Adjustment for LGU Personnel - The modified Salary Schedule and additional benefits authorized herein for civilian personnel may likewise be granted to LGU personnel, subject to the following:

- a) Authorization from their respective *sanggunian* as provided under Sections 447(a), 458(a) and 468(a) of RA No. 7160; and
- b) Compliance with the Personnel Services (PS) limitation set under Sections 325 and 331 of RA No. 7160.

LGUs shall likewise comply with the following rules in the implementation of the modified salary schedule and grant of additional benefits:

- a) The implementation of the modified Salary Schedule for LGU personnel, including the rate of Representation and Transportation Allowances, shall further correspond to the LGU's income classification, as determined by the Department of Finance (DOF) and approved by the Office of President; and which shall not therefore exceed the percentage of the Salary Schedule in Section 3 hereof, as follows:

Percentage of the Salary Schedule		
	For Provinces/Cities	For Municipalities
Special Cities	100%	
1st Class	100%	90%
2nd Class	95%	85%
3rd Class	90%	80%

4th Class	85%	75%
5th Class	80%	70%
6th Class	75%	65%

b) The basic pay of barangay personnel shall be in the form of honoraria which shall not exceed the percentage of the Salary Schedule corresponding to the income classification of the LGU. They may likewise receive Mid-Year Bonus and Year-End Bonus based on the monthly honoraria as of May 15 and October 31 of the year, respectively, and Cash Gift of Five Thousand Pesos (P5,000).

However, the minimum Year-End Bonus of One Thousand Pesos (P1,000) for the punong barangay and Six Hundred Pesos (P600) for other mandatory barangay officials shall not be subject to the PS limitation.

SEC. 6. *Non-diminution in the Basic Salaries of Incumbent Employees* – In no case shall there be any diminution in the basic salaries of incumbent employees upon the implementation of this Act. For this purpose, they shall receive the new salary rates prescribed herein which in no case shall be less than their existing salary rates.

SEC. 7. *Compensation and Position Classification Report* – The DBM shall prepare a Compensation and Position Classification Report for all government entities in the national government, GOCCs including exempt entities and the status of their implementation thereof. The reports shall be periodically updated and submitted to Congress and the Commission on Audit for public disclosure, monitoring, compliance with established policies and as basis for future policy decisions.

1 **SEC. 8. *Periodic Review of the Compensation and Position Classification System.*—**

2 The DBM and Civil Service Commission shall jointly review the Compensation and Position
3 Classification System every three (3) years, develop and recommend to the President a
4 competitive compensation and remuneration system.

5
6 **SEC. 9. *Implementation Schedule*** - The modified Salary Schedule and additional
7 benefits authorized herein shall be implemented in National Government Agencies as
8 follows, subject to appropriations by Congress:

- 9 a) Starting January 1, 2020, the first tranche salary schedule for civilian personnel and
10 the Mid-Year Bonus;
- 11 b) By January 1, 2021, the second tranche salary schedule for civilian personnel and the
12 Mid-Year Bonus and half of the enhanced PBB;
- 13 c) By January 1, 2022, the third tranche salary schedule for civilian personnel and the
14 Mid-Year Bonus and full amount of the enhanced PBB.

15 For covered GOCCs and LGUs, the implementation of the compensation adjustments
16 shall be in at least three (3) years depending on their respective financial capability, with each
17 tranche starting not earlier than the dates stated above. GOCCs and LGUs which do not have
18 adequate or sufficient funds shall partially implement the modified Salary Schedule and
19 authorized benefits. In case of partial implementation, the same shall be at uniform
20 percentage across all positions for every GOCC/LGU.

21
22 **SEC. 10. *Retroactive Application*** - The first tranche implementation of the modified
23 Salary Schedule for civilian personnel shall be effective January 1, 2020.

1 For covered GOCCs and LGUs, the retroactive application of the first tranche shall be
2 subject to their financial capabilities and compliance with other requirements under existing
3 laws.

4
5 **SEC. 11. *Exempt Entities*** - The following exempt entities shall not be covered by the
6 modified Salary Schedule and additional benefits authorized herein: (i) government agencies,
7 including GOCCs that are exempted from the coverage of RA No. 6758, as amended, as
8 provided in their respective enabling law or charter; and (ii) GOCCs governed by the CPCS
9 established by the Governance Commission for GOCCs (GCG) and approved by the
10 President of the Philippines, under RA No. 10149.

11 They shall be governed by their respective CPCS which shall be made effective upon
12 the recommendation of the DBM or the Governance Commission for GOCCs, as the case
13 may be, and approval by the President of the Philippines.

14
15 **SEC. 12. *Applicability to Certain Officials*** - Consistent with the policy under Section
16 6 of Article VII and Section 10 of Article VI of the Constitution, the salaries authorized
17 herein for the President, Vice President and Members of Congress shall take effect only after
18 the expiration of the respective terms of the incumbents.

19 The implementation of this Act with respect to regular members of the Cabinet shall
20 be effective starting July 1, 2020.

21
22 **SEC. 13. *Funding Source*** - The funding sources for the amounts necessary to
23 implement this Act shall be as follows:

1 a) For national government entities, the amount necessary for the immediate
2 implementation of this Act shall be included in the General Appropriations Act
3 (GAA);

4 b) For GOCCs, the amounts shall come from their respective corporate funds in the
5 corporate operating budgets approved by DBM.

6 c) For LGUs, the amounts shall be charged against their respective funds in accordance
7 with the pertinent provisions of this Act and RA No. 7160.

8
9 **SEC. 14. *Implementing Rules and Guidelines*** - The DBM shall issue the guidelines
10 necessary to implement the provisions of this Act.

11
12 **SEC. 15. *Separability Clause*** - Should any provision of this Act be declared invalid
13 or unconstitutional, the other provisions unaffected thereby shall remain valid and subsisting.

14
15 **SEC. 16. *Repealing Clause*** - All other rules, regulations and issuances, or parts
16 thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

17
18 **SEC. 17. *Effectivity Clause*** – This Act shall take effect immediately upon its
19 publication in the Official Gazette or in two (2) newspapers of general circulation, whichever
20 comes first.

Approved,