

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
3rd Regular Session

House Bill No. 11196



Introduced by **HON. MARIA FE R. ABUNDA**
Representative, Lone District, Eastern Samar

EXPLANATORY NOTE

A roster of civil servants is the government's key resource in determining the accomplishment of its plans and programs. However, such accomplishment depends highly on the government's ability to attract and retain competent individuals through, among others, a just and equitable compensation system.

In fact, a study published by Cambridge Research and Publications cited the strong correlation between compensation strategies and employee retention. Amoo (2020) posited how direct payment of salary and other monetary benefits such as bonuses, allowances, and incentives were significantly related with employee retention.

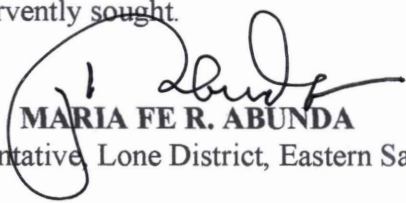
On 2 August 2024, the Office of the President issued Executive Order (EO) No. 64 with the issuance updating the salary schedule and authorizing the grant of an additional allowance for civilian government personnel. Indeed, such is an important step towards our goal of retaining competent servants in the government.

However, qualified government workers are not accorded the same rights and privileges as to the retroactive application of the current salary adjustments due to the limitations imposed by the Local Government Code of 1991, specifically Section 325 letter (g), Book II, Title 5, Chapter III, Article 1.

Hence, this bill seeks to amend the same.

This representation believes the workforce that makes up the local government also deserves the application of the EO, in strict observance and compliance with the Personal Services (PS) limitations as prescribed by the Department of Budget and Management (DBM).

In view of the foregoing, passage of this bill is fervently sought.


MARIA FE R. ABUNDA
Representative, Lone District, Eastern Samar

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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NINETEENTH CONGRESS
Third Regular Session

House Bill No. 11196

Introduced by **HON. MARIA FE R. ABUNDA**
Representative, Lone District, Eastern Samar

AN ACT
ALLOWING THE RETROACTIVE APPLICATION OF INCREASES AND
ADJUSTMENTS IN SALARIES AND ALLOWANCES FOR THOSE IN PERSONAL
SERVICE OF LOCAL GOVERNMENTS, AMENDING FOR THE PURPOSE
SECTIONS 325 (f) AND (g) OF REPUBLIC ACT NO. 7160

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

SECTION 1. Sections 325 (f) and 325 (g) of Republic Act No. 7160 are hereby amended to read as follows:

xxx

Sec. 325. General Limitations. – The use of provincial, city, and municipal funds shall be subject to the following limitations:

xxx

(f) **SUBJECT TO THE NEXT SUCCEEDING ITEM**, no changes in designation or nomenclature of positions resulting in promotion or demotion in rank or increase or decrease in compensation shall be allowed, except when the position is actually vacant, and the filling of such positions shall be strictly made in accordance with the civil service law, rules and regulations;

(g) The creation of new positions and salary increases or adjustments shall in no case be made retroactive, **EXCEPT WHEN ALLOWED BY LAW OR EXECUTIVE ORDER.**

xxx

SECTION 2. The Department of Budget and Management shall issue the necessary rules and regulations for the implementation of this Act.

SECTION 3. The retroactive effectivity of salary increases and adjustments under Executive Order No. 64, series of 2024 shall also apply to qualified employees of local government units.

SECTION 4. All laws, decrees, orders, rules, and regulations contrary to this Act are hereby repealed or modified accordingly.

SECTION 5. This Act shall take effect fifteen (15) days after publication or in the Official Gazette or in a newspaper of general circulation.

Approved,