REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

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RECORDS MGT. DIVISION
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9h 10:20 am
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August 25, 2017

REVENUE MEMORANDUM CIRCULAR NO. 77-2017

SUBJECT: Publishing the Full Text of Executive Order No. 36 Dated July 28, 2017, Entitled "SUSPENDING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM UNDER EXECUTIVE ORDER NO. 203 (S. 2016), PROVIDING FOR INTERIM COMPENSATION ADJUSTMENTS, AND FOR OTHER PURPOSES"

TO : All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidance of all internal revenue officials and others concerned, attached is the letter dated July 31, 2017 from Atty. Concepcion Zeny E. Ferrolino-Enad, Director III of Malacañang Records Office and a certified copy of Executive Order No. 36 dated July 28, 2017, entitled "SUSPENDING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM UNDER EXECUTIVE ORDER NO. 203 (S. 2016), PROVIDING FOR INTERIM COMPENSATION ADJUSTMENTS, AND FOR OTHER PURPOSES".

All concerned are hereby enjoined to be guided accordingly and give this Circular a wide publicity as possible.

CAESAR R. DULAY
Commissioner of Internal Revenue

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DEPARTMENT OF FINANCE
Republic of the Philippines
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Office of the President of the Philippines Malacañang

All USecs / ASecs
& Heads of Attached
Agencies

MALACAÑANG RECORDS OFFICE

Manila, July 31, 2017

SECRETARY CARLOS G. DOMINGUEZ III
Department of Finance
Manila

Sir:

I have the honor to transmit for your information and guidance, a certified copy of Executive Order No. 36 dated July 28, 2017 entitled **"SUSPENDING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM UNDER EXECUTIVE ORDER NO. 203 (S. 2016), PROVIDING FOR INTERIM COMPENSATION ADJUSTMENTS, AND FOR OTHER PURPOSES"**.

Thank you.

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Very truly yours,

ATTY. CONCEPCION ZENY E. FERROLINO-ENAD
Director III – Acting Head

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OFFICE OF THE SECRETARY

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MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 36

SUSPENDING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM UNDER EXECUTIVE ORDER NO. 203 (S. 2016), PROVIDING FOR INTERIM COMPENSATION ADJUSTMENTS, AND FOR OTHER PURPOSES

WHEREAS, Presidential Decree (PD) No. 1597 (s. 1978) required all agencies in the Executive Branch, including all government-owned and -controlled corporations (GOCCs), both chartered and non-chartered, to observe such guidelines and policies as may be issued by the President governing compensation and position classification systems;

WHEREAS, Joint Resolution (JR) No. 4 (s. 2009) of the Senate and the House of Representatives authorized the President to modify the existing Compensation and Position Classification System (CPCS) of civilian personnel in the government, including all GOCCs, both chartered and non-chartered, and reiterated the continuing applicability and enforceability of PD No. 1597;

WHEREAS, under Republic Act (RA) No. 10149, otherwise known as the "GOCC Governance Act of 2011", the Governance Commission for GOCCs (GCG), as the central advisory, monitoring, and oversight body with authority to formulate, implement and coordinate policies to govern GOCCs, is mandated to:

a. Classify GOCCs as may be necessary to guide the GCG in exercising its powers and functions;

b. Conduct compensation studies, develop and recommend to the President a competitive compensation and remuneration system which shall attract and retain talent, at the same time allowing the GOCC to be financially sound and sustainable; and

c. Develop a CPCS which shall apply to all officers and employees of GOCCs whether under the Salary Standardization Law or exempt therefrom, and shall consist of classes of positions grouped into such categories as the GCG may determine, subject to the approval of the President;

WHEREAS, the GCG, after having conducted the requisite compensation studies, has developed the CPCS for GOCCs which was approved by the President last 22 March 2016 through Executive Order (EO) No. 203;

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WHEREAS, there is a need to further study and review the compensation of GOCCs and eliminate any excessive, unauthorized, illegal, and/or unconscionable allowances, incentives and benefits;

WHEREAS, the GCG finds that there are compelling reasons to revisit and/or reevaluate the CPCS under EO No. 203 and institute an interim measure for affected GOCCs in the meantime;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. The CPCS and Index of Occupational Services (IOS) Framework for the GOCC Sector. The implementation of the CPCS and the IOS Framework for the GOCC Sector under EO No. 203 is hereby suspended.

SECTION 2. Interim Measure. In the interim, the compensation framework of GOCCs, Government Financial Institutions, Government Instrumentalities with Corporate Powers, or Government Corporate Entities (hereinafter referred to as "GOCCs"), including their subsidiaries, which are covered under RA No. 10149, shall be governed by the following:

a. For SSL-covered GOCCs, the GOCC shall adopt the Modified Salary Schedule under EO No. 201 (s. 2016), as well as the allowances and benefits provided therein, upon approval by the GCG.

   The implementation of the compensation adjustments shall be subject to the provisions of EO No. 201, where applicable. GOCCs which do not have adequate or sufficient funds shall partially implement the Modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at uniform percentage across all positions for every GOCC.

b. All SSL-exempt GOCCs shall have the option to either maintain their current compensation framework or, subject to approval of the GCG, adopt the Modified Salary Schedule under EO No. 201. For GOCCs adopting the Modified Salary Schedule under EO No. 201, the following shall apply:

   i. They shall be limited to the benefits, allowances, incentives provided under JR No. 4;

   ii. The GCG shall have the authority to convert/revise the compensation framework of such GOCCs (i.e., convert from Job Grade to Salary Grade);

   iii. A Mid-Year bonus equivalent to one (1) month basic salary shall be granted to those who have rendered at least four (4) months of satisfactory service and are still in service as of same date, to be given not earlier than May 15 of every year. The existing Year-End Bonus equivalent to one (1) month basic salary and Cash Gift at prescribed rates shall be given in November of every year. The grant of the Mid-Year and Year-End bonuses as well as the Cash Gift shall be subject to the guidelines issued by the GCG.

   The Mid-Year and Year-End bonuses provided herein, shall be in lieu of the bonuses, allowances or incentives of similar nature that the GOCCs receive under their current compensation framework.

SECTION 3. Application. The interim measure under this Order shall be implemented effective 1 January 2017, upon approval of the GCG.

SECTION 4. Non-Diminution of Authorized Salaries. – In the implementation of this Order, there shall be no diminution in the authorized salaries of incumbent officers and employees.

SECTION 5. Collective Bargaining Agreements (CBAs) and Collective Negotiation Agreements (CNA) in the GOCC Sector. Section 2 of EO No. 203, regarding CBAs and CNAs, is not suspended by this Order and shall continue to be in effect.

SECTION 6. Implementing Rules and Regulations. Within thirty (30) days from the effectivity of this Order, the GCG shall promulgate implementing rules and regulations which shall, among others, ensure that the approvals herein required prior to implementation of the interim measure are issued to qualified GOCCs in the most expedient and efficient manner.

SECTION 7. Repeal. All orders, circulars, issuances, board resolutions, rules and regulations or part thereof which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

SECTION 8. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 9. Effectivity. This Order shall take effect immediately.

DONE, in the City of Manila, this 28th day of July, in the year of our Lord Two Thousand and Seventeen.

By the President:

SALVADOR C. MEDIALDEA
Executive Secretary

REPUBLIC OF THE PHILIPPINES
PRRD 2016 - 002958

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ATTY. CONCEPCION ZENY E. FERROLINO-ENAD
DIRECTOR III
7-31-2017
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