



MALACAÑAN PALACE  
MANILA

**BY THE PRESIDENT OF THE PHILIPPINES**

**EXECUTIVE ORDER NO. 150**

**APPROVING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) AND INDEX OF OCCUPATIONAL SERVICES, POSITION TITLES, AND JOB GRADES FOR GOCCS (IOS-G) FRAMEWORK, REPEALING EXECUTIVE ORDER NO. 203 (S. 2016), AND FOR OTHER PURPOSES**

**WHEREAS**, Section 16, Article XII of the Constitution provides that government-owned or -controlled corporations (GOCCs) may be established in the interest of the common good, subject to the test of economic viability;

**WHEREAS**, Section 5, Article IX-B of the Constitution mandates that Congress shall standardize the compensation of government officials and employees, including those in GOCCs with original charters, taking into account the nature of their responsibilities, and the qualifications required for their positions;

**WHEREAS**, under Republic Act (RA) No. 10149 or the "GOCC Governance Act of 2011," the Governance Commission for GOCCs (GCG) is mandated to:

- a. Classify GOCCs, as may be necessary, to guide it 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, while 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 approval of the President;

**WHEREAS**, Section 9 of RA No. 10149 provides that, notwithstanding any law to the contrary, no GOCC shall be exempt from the coverage of the CPCS developed by the GCG under said Act;

THE PRESIDENT OF THE PHILIPPINES

**WHEREAS**, Executive Order (EO) No. 203 (s. 2016) titled, "Adopting the Compensation and Position Classification System (CPCS) and a General Index of Occupational Services (IOS) for the GOCC Sector Covered by Republic Act No. 10149, and for Other Purposes," was approved by the President on 22 March 2016;

**WHEREAS**, EO No. 36 (s. 2017) suspended the CPCS under EO No. 203 in light of the need to further study and review the compensation of GOCCs, to eliminate any excessive, unauthorized, illegal and/or unconscionable allowances, incentives and benefits, as well as rationalize rigorous requirements that hamper implementability of the System; and

**WHEREAS**, the GCG En Banc, after having conducted the requisite consultation with stakeholders, review and compensation study, has developed the new CPCS for GOCCs and submitted the same to the President for approval;

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

**SECTION 1. The CPCS and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework.** The CPCS and the IOS-G Framework for the GOCC Sector, attached hereto, are hereby approved and shall apply to all GOCCs, Government Financial Institutions (GFIs), Government Instrumentalities with Corporate Powers (GICPs)/ Government Corporate Entities (GICPs/GCEs) (hereinafter collectively referred to as "GOCCs"), including their subsidiaries, unless excluded from the coverage of RA No. 10149.

The CPCS shall not apply to GOCCs with approved abolition or deactivation orders.

The GCG shall have the authority to convert or revise the existing position classification system of the GOCCs to be aligned with the CPCS under this Order. All positions in GOCCs shall then be allocated by the GCG to their proper position titles and job grades in the IOS-G.

**SECTION 2. No Authority to Negotiate/Bargain on the Economic Terms and Conditions of Collective Negotiation Agreements (CNAs)/ Collective Bargaining Agreements (CBAs).** While recognizing the constitutional rights of workers to self-organization, collective bargaining and negotiations, the Governing Boards of all covered GOCCs shall not negotiate the economic terms and conditions of the CNAs/CBAs with their officers and employees.

CNA incentives shall be guided by the policies and guidelines established by the Department of Budget and Management (DBM) and shall be extended to cover non-chartered GOCCs to promote uniformity of allowable incentives within the GOCC Sector.

**SECTION 3. Effective Date of the CPCS.** The monthly basic salary structure of a GOCC and its allowances, benefits and incentives shall be effective upon issuance of the corresponding authorization from the GCG. The GCG En Banc may

likewise set a uniform date of effectivity across GOCCs, which shall in no case be earlier than the date of effectivity of this Order.

**SECTION 4. Non-Diminution of Authorized Salaries.** In the implementation of the CPCS, there shall be no diminution in the existing authorized salaries of incumbent officers and employees of GOCCs concerned. For purposes of this Order, authorized salaries shall refer to the salary structure that has been duly authorized by the Office of the President (OP) and/or by law. An approval from the Governing Board of the GOCC, alone, shall not be considered as authorized.

**SECTION 5. Compensation System.** The existing compensation granted by GOCCs to its officers and employees shall be standardized in accordance with the CPCS approved under this Order. No additional compensation outside the CPCS shall be granted by the GOCC Governing Board, unless the same has been recommended by the GCG and approved by the President.

**SECTION 6. Rationalization of Provident Fund.** The CPCS rates on the contributions to the Provident Fund shall apply to all GOCCs, subject to rationalization measures outlined in the CPCS.

**SECTION 7. Application of Step Increment.** All officers and employees shall automatically start at Step 1 of the prescribed Monthly Basic Salary Structures in the CPCS, unless otherwise provided therein. The progressions in the step increments may be adjusted, subject to the implementing guidelines to be issued by the GCG.

**SECTION 8. Implementing Agency.** The GCG shall administer the implementation of the CPCS. The GCG shall also issue the implementing guidelines of the CPCS, including those relating to affordability, step increments, hiring rates, overtime pay, night shift differential, merit increases, and separation pay programs, taking into consideration prevailing practices in the private sector and the guiding principles provided in the CPCS.

Guidelines for the grant of higher rates of Performance-Based Bonus for GOCCs in Categories 2 or 3 of the CPCS, shall be subject to the approval of the President.

The DBM shall provide such relevant assistance to the GCG in the issuance of guidelines on matters pertaining to compensation adjustments of GOCCs.

Within ninety (90) days from the effectivity of this Order, the GCG shall submit to the OP, through the Executive Secretary, a Consolidated CPCS Report, summarizing the authorizations issued by the GCG for all covered GOCCs, and the status of implementation thereof.

**SECTION 9. Periodic Review of the CPCS.** The GCG En Banc shall review the CPCS three (3) years after its effectivity, and every three (3) years thereafter, taking into account the performance of GOCCs, their overall contribution to the national economy, and the possible erosion in purchasing power due to inflation and other factors.

**SECTION 10. Funding.** The implementation of compensation adjustments shall depend on the financial capability of a GOCC and its corporate operating budget (COB), as approved by the GOCC Governing Board and the DBM.

The amounts required for the implementation of the CPCS shall be charged against the GOCC's Personnel Services appropriations under its approved COB, provided that a GOCC shall be prohibited to source payment therefor from the following:

- a. Loans;
- b. Sale of the GOCC's asset(s) for the sole purpose of compensation adjustment; and
- c. Other schemes analogous to the foregoing.

GOCCs shall not increase their service fees for the purpose of augmenting deficiencies in the amounts prescribed herein, and neither shall compensation adjustments adversely affect the implementation of programs/projects, as well as the attainment of performance targets.

**SECTION 11. Affordability.** GOCCs in Category 1 that do not have adequate or sufficient funds to implement the rates thereunder as may be determined by the GCG shall partially implement the salary schedule under this Order at a lower uniform percentage across all positions for every GOCC.

GOCCs in Categories 2 and 3 of the CPCS that do not have adequate or sufficient funds to implement the rates thereunder as may be determined by the GCG shall adopt the salary schedule of lower tiers or of Category 1.

**SECTION 12. Mandatory Action and Separation Incentive Pay.** Any GOCC that fails or refuses to implement the CPCS rates, or the lower amounts provided under Section 11 as may be applicable, shall undergo a mandatory action and be reorganized, merged, streamlined, abolished or privatized pursuant to Section 5(a) of RA No. 10149, upon recommendation of its Supervising Agency.

All officers and employees who will be affected by the mandatory action in view of the implementation of the CPCS shall be granted the following separation incentive pay rates, unless the GCG recommends lower rates to the OP:

<b>Government Service</b>	<b>Rates</b>
First 20 years	$1.00 \times \text{MBS}^* \times \text{No. of years}$
20 years and 1 day to 30 years	$1.25 \times \text{MBS}^* \times \text{No. of years}$
30 years and 1 day and above	$1.50 \times \text{MBS}^* \times \text{No. of years}$

\*Monthly Basic Salary (MBS)

**SECTION 13. Involuntary Separation and Early Retirement Incentive.** Pursuant to Section 5(a) of RA No. 10149, the GCG is hereby authorized to grant an early retirement incentive (ERI) to officers and employees who voluntarily elect to be retired, and a separation incentive pay (SIP) to those involuntarily separated from

service, in accordance with the rates provided under Section 12 of this Order, unless adjusted rates are recommended to and approved by the OP. The grant of ERI and SIP is in addition to retirement or separation benefits under existing laws.

**SECTION 14. Repeal.** EO No. 203 is hereby repealed. All other orders, rules and regulations, issuances or any part thereof, which are inconsistent with the provisions of this Order, are hereby repealed or modified accordingly.

**SECTION 15. Separability Clause.** If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**SECTION 16. Effectivity.** This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

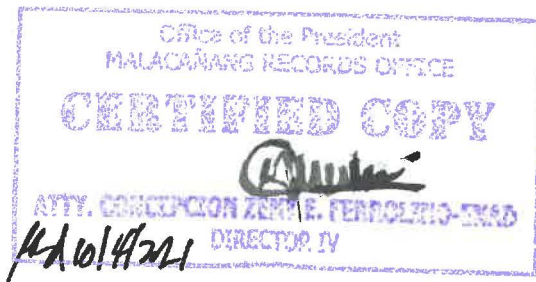
**DONE**, in the City of Manila, this 1st day of October, in the year of our Lord, Two Thousand and Twenty-One.



*[Handwritten signature]*

By the President:

*[Handwritten signature]*  
**SALVADOR C. MEDIALDEA**  
Executive Secretary



# **COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) FOR THE GOCCs COVERED BY REPUBLIC ACT NO.10149**

**I. GUIDING PRINCIPLES.** – This Compensation and Position Classification System (CPCS) shall be implemented, enforced, and interpreted in accordance with the following guiding principles:

1. The CPCS has been designed to provide Government-Owned or -Controlled Corporations (GOCCs) with adequate operational autonomy and flexibility towards ensuring efficient and effective implementation of a total compensation framework within their organizations to ensure that:
  - (a) The adoption of reasonable, justifiable and appropriate remuneration schemes prevents or deters the granting of unconscionable and excessive remuneration packages;
  - (b) The total compensation framework shall generally be comparable with the private sector doing comparable work in order to attract, engage, and retain the right talent and in compliance with prevailing laws on minimum wages;
  - (c) The compensation frameworks adopted by GOCCs shall operate within their affordability limits and sustainability capacities, and in accordance with their GOCC classification as provided herein;
  - (d) There shall be adherence to the principle of equal pay for work of equal value, with due regard for other verifiable factors such as the sector where the GOCCs are classified; and
  - (e) The rewards system supports and encourages performance-driven, productive, and efficient organizations.
2. The CPCS shall be updated periodically by GCG based on the following parameters:
  - (a) A review of the GOCC compensation rates every 3 years;
  - (b) The performance of the GOCC and its overall contribution to the national economy;
  - (c) Drastic changes in market or business environment; and
  - (d) Implementation of new compensation schemes in National Government Agencies.

## **II. DEFINITION OF TERMS.**

*“Authorized Allowances, Benefits, and Incentives (ABIs)”* refer to the financial or non-financial compensation that has been duly authorized by the President of the Philippines and/or by law. An approval from the GOCC Governing Board alone, regardless if the GOCC is Chartered or Non-chartered, shall not be considered as authorized.

*“Authorized Salaries”* refer to the salary structure that has been duly authorized by the President of the Philippines and/or by law. An approval from the GOCC Governing Board alone, regardless if the GOCC is Chartered or Non-chartered, shall not be considered as authorized.

*“Board of Directors/Trustees”* or *“Governing Board”* refers to the collegial body that exercises the corporate powers, conducts all business and controls or holds all properties of a GOCC, whether it be formally referred to as the “Board of Directors”, “Board of Trustees” or some other term in its Charter, Articles of Incorporation or By-laws.

*“Charter”* refers to a law or statute creating a Chartered GOCC and defining its franchise.

*“Chartered GOCC”* refers to a GOCC, including Government Financial Institutions, created and vested with functions by a special law.

*“Chief Executive Officer (CEO)”* refers to the highest-ranking corporate executive, who could be named as the President or the General Manager, Chief Operating Officer, Executive Director, or the Administrator of a GOCC.

*“Commercial GOCCs”* refer to GOCCs that undertake operations or provide services that compete with the private sector. Such commercial activities can include, but are not limited to:

- a. Design and conceptualization of the products/services;
- b. Manufacturing and production of the products/services;
- c. Sales;
- d. Logistics involved in delivering the products/services to the end customer;
- e. Customer service;
- f. Property development and management;
- g. Banking operations; and
- h. Extractive industries (e.g. oil, gas).

*“Collective Negotiation Agreement”* or *“CNA”* refers to the negotiated contract between an accredited employees’ organization representing a negotiating unit and the employer/management concerning terms and conditions of employment and improvements thereof that are not fixed by law.

*“Employee”* when used with reference to a person in the public service, includes any person in the service of the government or any of its agencies, divisions, subdivisions or instrumentalities.

*“Full-Time Equivalent (FTE) Employees”* refer to employees holding plantilla positions in a GOCC.

*“Government Financial Institutions (GFIs)”* refer to financial institutions or corporations in which the government directly or indirectly owns majority of the capital stock and which are either: (1) registered with or directly supervised by the Bangko Sentral ng Pilipinas; or (2) collecting or transacting funds or contributions

from the public and places them in financial instruments or assets such as deposits, loans, bonds and equity including, but not limited to, the Government Service Insurance System and the Social Security System.

*“Government Instrumentalities with Corporate Powers (GICPs)/ Government Corporate Entities (GCEs)”* refer to instrumentalities or agencies of the government, which are neither corporations nor agencies integrated within the departmental framework, but vested by law with special functions or jurisdiction, endowed with some if not all corporate powers, administering special funds, and enjoying operational autonomy usually through a charter including, but not limited to, the following: the Manila International Airport Authority (MIAA), the Philippine Ports Authority (PPA), the Philippine Deposit Insurance Corporation (PDIC), the Metropolitan Waterworks and Sewerage System (MWSS), the Laguna Lake Development Authority (LLDA), the Philippine Fisheries Development Authority (PFDA), the Bases Conversion and Development Authority (BCDA), the Cebu Port Authority (CPA), the Cagayan de Oro Port Authority, the San Fernando Port Authority, and the Local Water Utilities Administration (LWUA) and the Asian Productivity Organization (APO).

*“Government-Owned or -Controlled Corporation (GOCC)”* refers to any agency organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the Government of the Republic of the Philippines directly or through its instrumentalities either wholly or, where applicable as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock: *Provided, however,* That for purposes of the CPCS, the term “GOCC” shall include GICP/GCE and GFI as defined herein.

*“Job Grade (JG)”* refers to the numerical representation of the relative internal values of jobs in a GOCC’s plantilla; it is determined by using quantifiable factors to assess the minimum requirements to perform a job as defined in the job description; the Job Grade will dictate the Monthly Basic Salary of said job based on the Salary Structure.

*“Monthly Basic Salary”* refers to the amount actually received per month by an Officer or Employee and determined in accordance with the applicable salary structure, policies, and guidelines of the CPCS.

*“National Government”* refers to the entire machinery of the central government, as distinguished from the different forms of local governments.

*“Non-chartered GOCC”* refers to a GOCC organized and operating under the applicable *“Corporation Code of the Philippines”*.

*“Non-commercial GOCCs”* refer to GOCCs whose primary operations do not compete with the private sector, such as:

- a. Non-government business enterprises (Non-GBEs), as determined by the Commission on Audit (COA);
- b. Government instrumentalities vested with corporate powers (GICPs);
- c. Organized for cultural, educational, civic, scientific, or charitable purposes;
- d. With social protection objectives;



- e. Has privatized operations and primarily generates revenue through collection of concession fees;
- f. Primarily derive business income from activities undertaken for developmental purposes (e.g. interest on investments, lease or sale of properties);
- g. Conduits for sector development;
- h. Marketing arms of the National Government to support its programs;
- i. Primarily generates revenue through fees borne out of their regulatory powers; and
- j. Registered as non-stock, non-profit corporations, including foundations.

*“Officer”* refers to a person whose duties, not being of a clerical or manual nature, involves the exercise of discretion in the performance of the functions of the government. When used with reference to a person having authority to do a particular act or perform a particular function in the exercise of governmental power, “officer” includes any government employee, agent or body having authority to do the act or exercise that function.

*“Parent GOCC”* refers to a GOCC that owns, holds or controls, directly or indirectly, through one or more intermediaries, at least a majority of the outstanding capital stock of the Subsidiary.

*“Supervising Agency”* refers to a government agency to which a GOCC is attached for purposes of policy and program coordination and for general supervision.

*“Total Compensation Framework”* refers to all financial and non-financial compensation components such as basic salaries, allowances, benefits, and incentives, and variable pay.

**III. COVERAGE.** – The CPCS shall apply to all GOCCs, including their subsidiaries, which are covered by Republic Act (R.A.) No. 10149.

The CPCS shall apply to all positions on regular, contractual, or casual basis, now existing or hereafter created in GOCCs, whether Chartered or Non-chartered, and whether previously covered by, or previously exempted from the Salary Standardization Law (R.A. No. 6758).

**IV. EXCLUSIONS.** – The CPCS shall not apply to the Bangko Sentral ng Pilipinas (BSP), State Universities and Colleges (SUCs), cooperatives, Local Water Districts (LWDs), Economic Zone Authorities, and Research Institutions which are expressly outside the coverage of R.A. No. 10149.

GOCCs with approved abolition or deactivation orders shall not be covered by the CPCS.

Excluded also from the coverage of the CPCS are those individuals hired by GOCCs without employer-employee relationships and paid from non-Personal Services appropriations/budgets, as follows:

- (a) Consultants and experts hired to perform specific activities or services with expected outputs;
- (b) Laborers hired through job contracts (*pakyaw*) and those paid on piecework basis;
- (c) Student workers and apprentices; and
- (d) Those whose services are engaged through job orders, contracts of service, or others similarly situated.

Finally, members of the Governing Board, except for the CEO, are likewise excluded from the CPCS.

**V. GOCCs CLASSIFICATION UNDER THE CPCS.** – All GOCCs will be categorized and graded under the CPCS with due regard to the financial capability of the GOCC, in accordance with R.A. No. 10149. Measures of a GOCC's magnitude and complexity which will determine the GOCC grade required for the organization to operate and deliver its mandate/s are also considered to determine the GOCCs' classification under the CPCS.

**1. GOCC CATEGORIZATION** – Each GOCC shall be categorized based on their nature of operations and financial viability to sustain their operations/activities. The GOCCs shall be categorized based on the following descriptors:

CATEGORY	DESCRIPTORS
<p style="text-align: center;"><b>Category 1</b></p>	<p>GOCCs that are <b><u>not self-sustaining</u></b> either because:</p> <ul style="list-style-type: none"> <li>• They rely on national government subsidies to fund their day-to-day operations; and/or</li> <li>• They have an average net loss for the last three (3) years, regardless whether they receive subsidies or not.</li> </ul> <p>Further, at the time of initial CPCS implementation, GOCCs that failed to submit the required information on their financials and FTE employees will also be included in Category 1.</p>
<p style="text-align: center;"><b>Category 2</b></p>	<p>GOCCs that are self-sustaining through sources of funds generated from <b><u>non-commercial activities</u></b>.</p>
<p style="text-align: center;"><b>Category 3</b></p>	<p>GOCCs that are self-sustaining through sources of funds generated from <b><u>commercial activities</u></b>, with products and services that directly compete with the private sector.</p>

**2. GOCC GRADING** – Each GOCC shall be classified by their GOCC grade based on the weighted average grade of each GOCC in these three (3) factors:

- (a) **Company Financials** – 60%
- (b) **Complexity** – 30%
- (c) **Number of Full-Time Equivalent (FTE) Employees** – 10%

Organization grading is the foundation of the job evaluation process for each GOCC. The GOCC grade sets a cap to the number of grades in the organization and determines the grade of the CEO.

**2.1. Company Financials** – GOCCs shall have a grade based on the average relevant financial indicators over the last three (3) years as reported in their audited financial statements and DBM and/or Board approved corporate operating budgets:

<b>GOCC GRADE</b>	<b>FINANCIALS (₱)</b>
16	< 3.975 billion
17	≥ 3.975 billion and < 7.95 billion
18	≥ 7.95 billion and < 26.5 billion
19	≥ 26.5 billion and < 53 billion
20	≥ 53 billion and < 106 billion
21	≥ 106 billion and < 265 billion
22	≥ 265 billion and < 530 billion
23	≥ 530 billion and < 2.65 trillion
24	≥ 2.65 trillion and < 5.3 trillion
25	≥ 5.3 trillion

In consideration of the financial viability and source of funds to sustain an organization's full operations and activities, the financial indicators applicable for each GOCC shall be dependent on the Category of the GOCC. The three-year financials will be averaged based on the following formula for each category:

<b>CATEGORY</b>	<b>FORMULA</b>
<b>Category 1</b>	Operating expense plus operating subsidies
<b>Category 2</b>	Operating expense (plus investment income, if any) Program subsidies will not be included in the computation of financials of GOCCs under this category.

CATEGORY	FORMULA
Category 3	Annual revenue or operating expense plus annual revenue minus statutory contributions.

2.2. **Complexity** – GOCCs shall have a grade for its complexity based on the fixed grade equivalent of its categorization:

GOCC GRADE	CATEGORY
16	Category 1
18	Category 2
20	Category 3

2.3. **Number of FTE Employees** – GOCCs shall have a grade based on the number of FTE Employees as follows:

GOCC GRADE	NO. OF FTE EMPLOYEES
16	Less than 91
17	91 to 240
18	241 to 620
19	621 to 1,600
20	1,601 to 4,100
21	4,101 to 10,600
22	10,601 to 27,500
23	27,501 to 75,000
24	75,001 to 200,000
25	More than 200,000

2.4. **Official GOCC Grade** – The GOCC shall have a weighted average grade based on Chapter V, Sections 2.1 to 2.3 to derive the official grade of the GOCC. A sample computation is provided as:

COMPONENT	WEIGHT	GRADE	WEIGHTED GRADE
Financials	60%	16	9.60
Complexity	30%	18	5.40
FTE Employees	10%	18	1.80
<b>GOCC Final Grade</b>			<b>17</b>

The resulting weighted average grade shall be rounded off to get the final GOCC Grade under the CPCS which shall be capped at Grade 20.

**VI. COMPENSATION SYSTEM.** – The total compensation granted to officers and employees for services rendered shall hereinafter be limited to the following:

- (a) ***Basic Salaries, including Step Increments***
- (b) ***Allowances, Benefits, and Incentives***
- (c) ***Variable Pay (Performance-Based Bonus)***

*Provided,* That the CPCS does not cover indirect compensation that is not specified herein and is regulated under existing laws such as, but not limited to: life and retirement insurance benefits; employee compensation insurance; health insurance; and Pag-IBIG Fund benefits.

All GOCCs shall migrate to the rationalized and standardized Total Compensation Framework (TCF) that shall be implemented for their officers and employees in accordance with the basic salaries, including step increments, allowances, benefits, and incentives, and variable pay provided herein. The TCF to be adopted by the GOCCs shall also be implemented upon authorization of the GCG based on the GCG-certified GOCC Classification under Chapter V, and the job evaluation of all positions of the GOCC based on the IOS-G Framework provided herein.

#### **A. BASIC SALARIES, INCLUDING STEP INCREMENTS**

1. ***Basic Salaries*** – The Monthly Basic Salaries provided under the CPCS is the maximum amount that the GOCC can grant to its officers and employees which shall be differentiated for Category 1 and Categories 2 and 3. A lower uniform percentage of the prescribed rates herein shall be implemented by the GOCC based on its own implementation scheme of the CPCS, provided that such scheme is based on:

- (a) Affordability and sustainability of the GOCC to continually implement the CPCS rates for its officers and employees;
- (b) Provision of gradual annual salary increase with the salary rates of the CPCS as the cap, as authorized by the GOCC Governing Board; and/or
- (c) Flexibility of GOCCs to provide its own salary tranches such that the amounts in the salary structure herein shall be the amount of the GOCC's final tranche and shall only be applied on the third year of implementation.

1.1. ***Salary Structure*** – There are a total of six (6) salary structures which GOCCs can implement depending on their profitability and sustainability of operations. Categorization and Tiering shall then be applied for

GOCCs to adopt the appropriate structure that is within their financial capacity.

- 1.1.1. **By Categorization** – GOCCs under Category 1 shall follow one structure and shall not be classified further into Tiers.

GOCCs under Categories 2 and 3 shall have a total of five (5) structures wherein, the applicable structure shall be based on the Tiers provided herein.

- 1.1.2. **By Tiering** – GOCCs under Categories 2 and 3 shall be subjected to tiering which shall determine the corresponding salary structure that the GOCC can implement based on the following financials using the same formula provided under Chapter V Section 2.1:

TIERS	FINANCIALS (₱)
<b>Tier 5</b>	Between 1.98 billion to 3.97 billion
<b>Tier 4</b>	≥ 3.97 billion
<b>Tier 3</b>	> 20.32 billion
<b>Tier 2</b>	> 36.6 billion
<b>Tier 1</b>	≥ 53 billion

All GOCCs under Categories 2 and 3 with financials falling at 1.98B and below will automatically follow the pay structure for a Category 1 GOCC.

The GCG *En Banc* may adjust or set an appropriate GOCC's Tier by reason of its strategic importance to national economy and development. Provided further, the source of funds for the adjustment shall not be subsidized by the National Government or the parent GOCC, as may be applicable.

- 1.1.3. The Monthly Basic Salary Structure for a Category 1 GOCC shall be as follows:

Job Grade	Category 1							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
<b>2</b>	13,000	13,111	13,223	13,334	13,446	13,557	13,669	13,780
<b>3</b>	13,819	13,927	14,036	14,144	14,253	14,361	14,470	14,578
<b>4</b>	14,678	14,793	14,909	15,024	15,140	15,255	15,371	15,486
<b>5</b>	15,586	16,166	16,745	17,325	17,905	18,485	19,064	19,644
<b>6</b>	19,744	19,928	20,111	20,295	20,478	20,662	20,845	21,029
<b>7</b>	21,129	21,620	22,111	22,602	23,094	23,585	24,076	24,567

Job Grade	Category 1							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
8	27,000	27,604	28,209	28,813	29,417	30,021	30,626	31,230
9	31,320	32,037	32,755	33,472	34,189	34,906	35,624	36,341
10	36,619	38,010	39,401	40,792	42,182	43,573	44,964	46,355
11	46,725	51,386	56,046	60,707	65,367	70,028	74,688	79,349
12	80,003	82,987	85,970	88,954	91,937	94,921	97,904	100,888
13	102,690	106,586	110,483	114,379	118,275	122,171	126,068	129,964
14	131,124	133,372	135,620	137,868	140,115	142,363	144,611	146,859
15	148,171	150,711	153,251	155,791	158,331	160,871	163,411	165,951
16	167,432	170,302	173,173	176,043	178,914	181,784	184,655	187,525
17	189,199	192,442	195,686	198,929	202,172	205,415	208,659	211,902
18	278,434	284,201	289,969	295,736	301,504	307,271	313,039	318,806
19	331,954	339,067	346,181	353,294	360,408	367,521	374,635	381,748
20	419,144	422,737	426,329	429,922	433,514	437,107	440,699	444,292

1.1.4. The Monthly Basic Salary Structures for a Category 2 or 3 GOCC shall be as follows:

Job Grade	Categories 2 and 3 - Tier 5							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
2	13,218	13,352	13,485	13,618	13,752	13,885	14,019	14,152
3	14,207	14,344	14,480	14,616	14,752	14,889	15,025	15,161
4	15,262	15,410	15,557	15,705	15,853	16,000	16,148	16,296
5	16,433	16,959	17,485	18,011	18,537	19,063	19,589	20,115
6	20,253	20,470	20,687	20,904	21,120	21,337	21,554	21,771
7	21,909	22,380	22,852	23,323	23,795	24,266	24,738	25,210
8	28,024	28,618	29,211	29,805	30,398	30,992	31,586	32,179
9	32,519	33,221	33,923	34,625	35,326	36,028	36,730	37,432
10	38,037	39,300	40,563	41,825	43,088	44,350	45,613	46,875
11	47,777	52,323	56,868	61,414	65,959	70,504	75,050	79,595
12	80,796	83,782	86,769	89,755	92,742	95,729	98,715	101,702
13	103,755	107,643	111,532	115,420	119,309	123,197	127,086	130,974
14	132,247	135,022	137,797	140,572	143,347	146,122	148,897	151,672
15	153,266	156,538	159,811	163,083	166,355	169,627	172,900	176,172
16	181,938	185,948	189,958	193,969	197,979	201,989	206,000	210,010
17	211,845	216,600	221,355	226,109	230,864	235,619	240,374	245,129
18	298,611	305,393	312,174	318,956	325,737	332,519	339,300	346,082
19	359,081	368,111	377,142	386,173	395,203	404,234	413,265	422,295
20	453,007	460,084	467,161	474,239	481,316	488,393	495,471	502,548

Job Grade	Categories 2 and 3 - Tier 4							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
2	13,436	13,592	13,747	13,903	14,058	14,213	14,369	14,524
3	14,596	14,760	14,924	15,088	15,252	15,416	15,580	15,745
4	15,846	16,026	16,206	16,386	16,565	16,745	16,925	17,105
5	17,280	17,752	18,225	18,697	19,170	19,642	20,114	20,587
6	20,762	21,012	21,262	21,512	21,763	22,013	22,263	22,513
7	22,688	23,140	23,592	24,044	24,496	24,948	25,400	25,852
8	29,049	29,631	30,214	30,797	31,380	31,963	32,546	33,128
9	33,719	34,405	35,091	35,778	36,464	37,150	37,836	38,523
10	39,456	40,590	41,724	42,859	43,993	45,127	46,261	47,396
11	48,830	53,260	57,690	62,121	66,551	70,981	75,411	79,842
12	81,588	84,578	87,568	90,557	93,547	96,536	99,526	102,516
13	104,819	108,700	112,581	116,462	120,342	124,223	128,104	131,985
14	133,370	136,672	139,974	143,276	146,578	149,880	153,183	156,485
15	158,361	162,365	166,370	170,375	174,379	178,384	182,389	186,393
16	196,443	201,594	206,744	211,894	217,044	222,195	227,345	232,495
17	234,491	240,757	247,024	253,290	259,556	265,823	272,089	278,355
18	318,788	326,584	334,380	342,175	349,971	357,766	365,562	373,357
19	386,207	397,155	408,103	419,051	429,999	440,947	451,895	462,842
20	486,870	497,432	507,994	518,556	529,118	539,680	550,242	560,804

Job Grade	Categories 2 and 3 - Tier 3							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
2	13,654	13,832	14,009	14,187	14,364	14,542	14,719	14,896
3	14,984	15,176	15,368	15,560	15,752	15,944	16,136	16,328
4	16,430	16,642	16,854	17,066	17,278	17,490	17,702	17,915
5	18,127	18,546	18,964	19,383	19,802	20,221	20,639	21,058
6	21,270	21,554	21,838	22,121	22,405	22,688	22,972	23,255
7	23,468	23,900	24,332	24,765	25,197	25,630	26,062	26,495
8	30,073	30,645	31,217	31,789	32,361	32,933	33,505	34,078
9	34,918	35,589	36,260	36,930	37,601	38,272	38,943	39,613
10	40,874	41,880	42,886	43,892	44,898	45,904	46,910	47,916
11	49,882	54,197	58,513	62,828	67,143	71,458	75,773	80,088
12	82,381	85,373	88,366	91,359	94,352	97,344	100,337	103,330
13	105,884	109,757	113,630	117,503	121,376	125,249	129,122	132,995
14	134,493	138,322	142,151	145,980	149,810	153,639	157,468	161,297
15	163,456	168,193	172,930	177,667	182,403	187,140	191,877	196,614
16	210,949	217,239	223,529	229,819	236,110	242,400	248,690	254,980
17	257,137	264,915	272,693	280,470	288,248	296,026	303,804	311,582



Job Grade	Categories 2 and 3 - Tier 3							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
18	338,966	347,775	356,585	365,394	374,204	383,014	391,823	400,633
19	413,334	426,199	439,064	451,929	464,794	477,659	490,525	503,390
20	520,732	534,779	548,826	562,873	576,920	590,967	605,013	619,060

Job Grade	Categories 2 and 3 - Tier 2							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
2	13,873	14,072	14,271	14,471	14,670	14,870	15,069	15,269
3	15,372	15,592	15,812	16,032	16,252	16,472	16,691	16,911
4	17,014	17,258	17,503	17,747	17,991	18,235	18,480	18,724
5	18,974	19,339	19,704	20,069	20,434	20,799	21,164	21,530
6	21,779	22,096	22,413	22,730	23,047	23,364	23,681	23,997
7	24,247	24,660	25,073	25,486	25,899	26,311	26,724	27,137
8	31,097	31,658	32,220	32,781	33,343	33,904	34,465	35,027
9	36,117	36,773	37,428	38,083	38,738	39,394	40,049	40,704
10	42,293	43,170	44,048	44,926	45,803	46,681	47,558	48,436
11	50,935	55,135	59,335	63,535	67,734	71,934	76,134	80,334
12	83,173	86,169	89,165	92,161	95,156	98,152	101,148	104,144
13	106,948	110,814	114,679	118,544	122,410	126,275	130,140	134,006
14	135,616	139,972	144,328	148,685	153,041	157,398	161,754	166,110
15	168,550	174,020	179,489	184,958	190,428	195,897	201,366	206,836
16	225,455	232,885	240,315	247,745	255,175	262,605	270,035	277,465
17	279,783	289,072	298,362	307,651	316,940	326,230	335,519	344,809
18	359,143	368,967	378,790	388,614	398,437	408,261	418,085	427,908
19	440,461	455,243	470,025	484,808	499,590	514,372	529,155	543,937
20	554,595	572,127	589,658	607,190	624,722	642,253	659,785	677,316

Job Grade	Categories 2 and 3 - Tier 1							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
2	14,091	14,312	14,534	14,755	14,977	15,198	15,419	15,641
3	15,761	16,008	16,256	16,504	16,752	16,999	17,247	17,495
4	17,598	17,874	18,151	18,427	18,704	18,981	19,257	19,534
5	19,821	20,132	20,444	20,755	21,067	21,378	21,689	22,001
6	22,288	22,638	22,988	23,339	23,689	24,039	24,389	24,740
7	25,027	25,420	25,813	26,206	26,600	26,993	27,386	27,780

Job Grade	Categories 2 and 3 - Tier 1							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
8	32,121	32,672	33,223	33,773	34,324	34,875	35,425	35,976
9	37,317	37,957	38,596	39,236	39,876	40,515	41,155	41,795
10	43,711	44,460	45,210	45,959	46,708	47,458	48,207	48,956
11	51,987	56,072	60,157	64,242	68,326	72,411	76,496	80,580
12	83,966	86,965	89,964	92,962	95,961	98,960	101,959	104,957
13	108,013	111,871	115,728	119,586	123,443	127,301	131,159	135,016
14	136,738	141,622	146,506	151,389	156,273	161,156	166,040	170,923
15	173,645	179,847	186,049	192,250	198,452	204,653	210,855	217,057
16	239,960	248,530	257,100	265,670	274,240	282,810	291,380	299,950
17	302,428	313,229	324,030	334,832	345,633	356,434	367,235	378,036
18	379,320	390,158	400,995	411,833	422,671	433,509	444,346	455,184
19	467,587	484,287	500,986	517,686	534,385	551,085	567,785	584,484
20	588,458	609,474	630,491	651,507	672,523	693,540	714,556	735,572

2. **Step Increments.** – Officers and employees of a GOCC may progress from Step 1 to Step 8 within the particular Job Grade of the position based on the following:

- Meritorious performance based on a Performance Management System approved by the Civil Service Commission (CSC) for Chartered GOCCs and by the Board for Non-chartered GOCCs;
- Length of service in accordance with the rules and regulations to be promulgated by the Governance Commission; and
- Adjustments for a specific person and/or position as approved by the GOCC Governing Board and recommended by the Supervising Agency of the GOCC to the GCG for final review and approval.

The grant of step increment shall take into consideration the rules and regulations issued by the Department of Budget and Management (DBM).

2.1. **For incumbents** – Upon implementation of the CPCS, all incumbent officers and employees of GOCCs shall be assigned to Step 1. If the current salary of the GOCC personnel is higher than Step 1 rate of its job grade, the salary of the incumbent shall be in accordance with the following:

- If the actual monthly basic salary of an incumbent falls between steps of the job grade allocation of the position, the salary of such incumbent shall be adjusted to the next step with a higher rate.
- If the salary of the incumbent is already above Step 8, there shall be no increase in monthly basic salary and no diminution in the salary

currently being received.

- 2.2. ***For newly hired and newly promoted*** – All officers and employees of GOCCs who are hired or promoted after the implementation of the CPCS shall be assigned to Step 1 of the job grade the position is allocated to.

## **B. ALLOWANCES, BENEFITS, AND INCENTIVES**

1. ***Standard Allowances and Benefits***. – These refer to allowances and benefits that are given across-the-board to officers and employees based on the prescribed rates, guidelines, and regulations to be promulgated by the GCG based on the applicable standardized compensation laws and issuances for National Government Agencies. These shall be limited to the following:

- 1.1. ***Year-End Bonus (YEB)*** – The YEB shall be granted annually based on the one (1) month basic salary, subject to the eligibility conditions under the applicable guidelines to be released by the GCG.
- 1.2. ***Cash Gift*** – This shall be granted annually as a year-end benefit.
- 1.3. ***Uniform/Clothing Allowance (UCA)*** – This shall be granted annually to provide the required proper uniform/clothing to employees.
- 1.4. ***Personnel Economic Relief Allowance (PERA)*** – This shall be granted monthly to augment the compensation of government personnel against the rising cost of living.

2. ***Specific-Purpose Allowances and Benefits*** – These refer to allowances and benefits given to officers and employees in GOCCs under specific conditions and situations related to the actual performance of work. The prescribed rates, guidelines, and regulations to be promulgated by the GCG shall be based on the applicable standardized compensation laws and issuances for National Government Agencies. These shall be limited to the following:

- 2.1. ***Hazard Pay*** – This is a compensation given to employees who, in the actual performance of their duties and responsibilities, are actually exposed to hazardous situations, such as, but not limited to, assignment in strife-torn or embattled areas, distressed or isolated stations, prison camps, mental hospitals, leprosaria, radiation-exposed clinics/laboratories/workshops, disease-infested areas and areas declared under state of calamity or emergency which pose occupational risks or perils to life.
- 2.2. ***Compensation for Overtime Work*** – This shall serve as the compensation for services rendered beyond the required forty (40) hours of work in a week and those performed on rest days, holidays, and non-

working days. This can either be in the form of Compensatory Time-Off (CTO) or Overtime pay.

- 2.3. **Night Shift Differential Pay** – This is a compensation premium given to employees whose regular working hours fall within a specified period of time.
  - 2.4. **Honorarium** – This is a form of compensation that may be given for services rendered beyond the regular duties and responsibilities of the positions they occupy.
  - 2.5. **Special Counsel Allowance** – This is an allowance given to lawyer-personnel assigned in the legal office of GOCCs for their appearance or attendance to court<sup>1</sup> hearings.
  - 2.6. **Representation and Transportation Allowances (RATA)** – This is a collective term for two distinct but complementary monthly allowances: Representation Allowance (RA) and Transportation Allowance (TA). This is given to officials of GOCCs down to heads of division or its equivalent for their transportation and representation expenses while in the actual performance of their duties and responsibilities.
  - 2.7. **Subsistence Allowance** – This is an allowance given to employees who, by nature of their duties and responsibilities, have to make their services available in their places of work even during mealtimes.
  - 2.8. **Magna Carta Benefits for Public Health Workers (PHWs)** – The PHWs, as defined in R.A. No. 7305 are entitled to the benefits provided under the said law.
  - 2.9. **Magna Carta Benefits for Scientists, Engineers, Researchers, and Other Science and Technology (S & T) Personnel** – Employees considered as Science and Technology (S & T) personnel, as defined in R.A. No. 8439 are entitled to the benefits provided under the said law.
  - 2.10. **Magna Carta Benefits for Public Social Workers (PSWs)** – All registered social workers employed in government service, as defined in R.A. No. 9433 are entitled to the benefits provided under the said law.
3. **Incentives** – These refer to rewards granted for services for and contributions to the GOCC. The prescribed rates, guidelines, and regulations of the items herein shall be promulgated by the GCG based on the applicable standardized compensation laws and issuances for National Government Agencies. These shall be limited to the following:

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<sup>1</sup> Court as used in this section shall pertain to those under Judiciary.

- 3.1. **Loyalty Award** – This is an incentive in recognition of loyalty to government service.
- 3.2. **Anniversary Bonus** – This is an incentive given during the milestone years of the GOCC as authorized by Administrative Order (A.O.) No. 263, s. 1996.
- 3.3. **Mid-Year Bonus (MYB)** – The MYB equivalent to one (1) month basic salary given to qualified officers and employees.
- 3.4. **Productivity Enhancement Incentive (PEI)** – This is a cash incentive meant to improve the productivity of officers and employees.
- 3.5. **Collective Negotiation Agreement (CNA) Incentive** – This is an incentive given to officials and employees of GOCCs with approved and successfully implemented CNAs in recognition of their efforts in accomplishing performance targets at lesser cost.

The grant of the CNA Incentive shall be based on the guidelines to be established by the Governance Commission, using as reference the guidelines released by the DBM and/or CSC.

- 3.6. **Program on Awards and Incentives for Service Excellence (PRAISE)** – This is a program to provide monetary and/or non-monetary incentives to recognize, acknowledge, and reward productive, creative, innovative, and ethical behavior of employees.

Chartered GOCCs shall follow the guidelines issued by the CSC for the establishment and maintenance of the PRAISE Program. Non-chartered GOCCs may opt to adopt the PRAISE Program, provided that they establish their own program using as reference the guidelines under CSC issuances, and provided further, that the rates of monetary and/or non-monetary incentives shall not exceed the rates under the CSC issuances.

4. **Additional Allowances, Benefits, and Incentives.** – Upon application of the CPCS, all the allowances, benefits, and incentives (ABIs) of GOCC officers and employees, whether they are incumbents or new hires, shall be limited to those provided under the CPCS. All additional compensation outside of the CPCS shall be approved by the Board, endorsed by the Supervising Agency, recommended by the GCG, and approved by the President of the Philippines.
5. **Excess Allowances, Benefits, and Incentives.** – The authorized ABIs currently being received by incumbents of GOCCs that are implementing their own compensation framework shall be paid the three (3) year present value of the authorized ABIs that will be removed under the CPCS using the following formula:

$$\begin{aligned}
 \text{3 year present value} &= \frac{\text{Total authorized excess ABIs for the first year}}{1.0225^0} \\
 &+ \frac{\text{Total authorized excess ABIs for the second year}}{1.0225^1} \\
 &+ \frac{\text{Total authorized excess ABIs for the third year}}{1.0225^2}
 \end{aligned}$$

Only ABIs that are duly authorized by the President of the Philippines and/or by law shall be included in the computation of ABIs to be paid out to each incumbent, subject to availability of the corporate funds and financial viability of the GOCC.

### **C. VARIABLE PAY OR PERFORMANCE-BASED BONUS**

**1. Performance-Based Bonus (PBB)** – This is a cash bonus given to qualified officers and employees in recognition of their contribution to the accomplishment of the GOCC's overall targets and commitments.

1.1. Coverage – All officers and employees of GOCCs who occupy regular, casual, or contractual positions with employer-employee relationship.

1.2. Rules and Regulations

1.2.1. Eligibility Requirements for GOCCs

1.2.1.1. Only GOCCs that has achieved a weighted-average score of at least 90% in its Performance Scorecard for the applicable year.

1.2.1.2. GOCCs shall satisfy other conditions set by GCG for the grant of PBB.

1.2.2. Eligibility Requirements for Individual officers and employees

1.2.2.1. Officers and employees must have rendered an aggregate of at least nine (9) months of government service for the applicable year to be entitled to the full grant of PBB. Those who do not meet the 9-month service requirement but served for at least 3 months shall be entitled to PBB on a *pro-rata* basis.

1.2.2.2. Officers and employees shall satisfy other conditions set by GCG to be entitled to the grant of PBB.

1.2.3. PBB rates – The rate of PBB is dependent on the performance of an officer or employee, his/her monthly basic salary (MBS) of as 31 December of the applicable year, and actual length of service he/she rendered.

<b>Percentile</b>	<b>PBB as % of MBS</b>
<b>Top: Maximum 10%</b>	65.0%
<b>Next: Maximum 25%</b>	57.5%
<b>Remaining: Minimum 65%</b>	50.0%

All qualified officers and employees shall be entitled to PBB not lower than ₱5,000.00 and not exceeding 65% of their individual monthly basic salary as of 31 December of the applicable year. The percentage of PBB to be paid to officers and employees based on their length of service shall be as follows:

<b>Length of Service</b>	<b>% of PBB</b>
At least 9 months	100%
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

1.2.4. Grant of higher PBB rate – GOCCs categorized either as Category 2 or 3 under the CPCS may grant to a specific incumbent a higher PBB rate of up to 150% of the incumbent's monthly basic salary, subject to the approval of the GOCC Governing Board, endorsement of the Supervising Agency of the GOCC, and final approval of the GCG.

1.3. The grant of the PBB shall be in accordance with the guidelines to be established by the GCG, using as reference, the applicable standardized compensation laws and issuances for National Government Agencies.

**VII. OTHER ENTITLEMENTS.** – The entitlements herein are indirect compensation and/or are outside the Total Compensation Framework of GOCCs. These entitlements shall be granted based on the prescribed rates, guidelines, and regulations to be promulgated by the GCG based on the applicable standardized compensation laws and issuances for National Government Agencies. These shall be limited to the following:

1. **Communication Allowance** – Officers and employees of GOCCs may be granted communication allowance for their communication expenses for the discharge of their duties and responsibilities.
2. **Leave Credits** – All officers and employees of GOCCs whether permanent, temporary, casual, or contractual who are employed with employer-employee relationship are entitled to earn leave credits.

3. **Monetization of Leave Credits** – All officers and employees of GOCCs entitled to earn leave credits shall be allowed to monetize their unused leave credits.
4. **Terminal Leave Benefits** – Officers and employees who retire, voluntarily resign, or separated from service shall be entitled to the commutation of his leave credits.
5. **Rehabilitation Privilege** – Officers and employees who sustained wounds and/or injuries while in the performance of official duties may avail rehabilitation privilege.
6. **Cost of Participation in Conferences, Seminars, etc.** – Officers and employees may participate in conventions, seminars, conferences, symposia, and similar gatherings subject to the allowable cost for the participation.
7. **Official Vehicles and Transport** – Government motor transportation may be used by the personnel of GOCCs for official business.
8. **Allowances for Local and Foreign Travel** – This is an allowance for official local and foreign travel of GOCC officers and employees.
9. **Cultural and Athletic Activities** – This an annual authorized expense for the purchase of uniform or costume and other related expenses in the conduct of cultural and athletic activities.
10. **Quarters Privileges** – This is a benefit for GOCC officers assigned or transferred to a place other than that of their domicile and do not own houses or rooms therein, by virtue of agency policies on reshuffling or rotation. This is in the form of providing free quarters<sup>2</sup> to employees.
11. **Extraordinary and Miscellaneous Expenses (EME)** – An annual authorized expense for specified officials and those of equivalent rank occupying key positions in GOCCs in recognition of the need to grant some form of expense to enable them to meet various financial demands of their incumbency to their positions. An annual miscellaneous expense is also authorized for each of the offices under the specified officials and their equivalent ranks who are entitled to EME.

**VIII. PROVIDENT FUND.** – The Provident Fund (PF) of all GOCCs shall be in accordance with the following:

CATEGORY	RATIONALIZATION OF PF <sup>3</sup>
Category 1	<ul style="list-style-type: none"> <li>• PF shall be subjected to DBM Budget Circular No. 2008-3,<sup>4</sup> provided that the <b>employer's share</b> shall be limited up to 10%.</li> </ul>

<sup>2</sup> Free use of government-owned or leased place of lodging (fully furnished) which may include telephone, water and electricity for basic needs.

<sup>3</sup> To standardize the Provident Fund contributions, the employer contribution was set at a rate close to that of the private sector (8%).

<sup>4</sup> *Rules, Regulations and Procedure on the Establishment and Administration of Provident Funds in the Philippine Government.*



CATEGORY	RATIONALIZATION OF PF <sup>3</sup>
<b>Categories 2 and 3</b>	<ul style="list-style-type: none"> <li>• The <b>employer's share</b> shall be limited to up to 10%.</li> <li>• The <b>employee's share</b> shall be at a minimum rate of 3%. Any rate above 3% is subject to written approval of the concerned employee.</li> </ul>

The conditions on GOCCs with existing PF shall also be in accordance with the following rationalization measures:

- GOCCs with current PF employer's share that is lower than the maximum of 10% shall have to request for approval from the President of the Philippines should they intend to increase such employer's share.
- GOCCs with current PF employer's share that is higher than the maximum of 10% shall be limited to up to the allowable maximum rate. The GOCCs may choose to liquidate their existing PF and pay out its member employees if they are not amendable to the new PF rates.
- Those GOCCs that intend to set up a PF shall request for approval from the Office of the President provided that the new PF is subject to the rationalization of PF under the CPCS.

**IX. HEALTHCARE.** – The Healthcare of all GOCCs shall be through the premium-based health insurance that will be offered to GOCCs by the Philippine Health Insurance Corporation (PhilHealth) in compliance with Section 11 of R.A. No. 11223 or the Universal Health Care Act.

Pending the implementation of this premium-based health insurance to be offered by PhilHealth, all GOCCs must comply with Commission on Audit (COA) Resolution No. 2005-001 and the Supreme Court ruling in *PIDS v. COA*,<sup>5</sup> that is, they must not procure another health insurance in addition to the health program already provided by the government through PhilHealth.

**X. IMPLEMENTATION SCHEDULE OF THE CPCS ALLOWANCES, BENEFITS AND INCENTIVES.** – GOCCs shall implement prospectively the allowances, benefits, and incentives under the CPCS starting from the date of authorization for them to adopt and implement the CPCS.

**XI. INTERIM GUIDELINES PENDING THE ISSUANCE OF CPCS GUIDELINES.** – GOCCs shall use existing GCG, DBM, and CSC issuances for the rules, regulations, and whenever applicable, the rates, for the grant of the allowances, benefits, and incentives provided herein until the issuance of CPCS implementing guidelines by the GCG.

<sup>5</sup> G.R. No. 212022, 20 August 2019.

**XII. UPDATES ON RULES AND REGULATIONS.** – The GCG shall issue guidelines and/or updates on the rules and regulations for the allowances, benefits, and incentives provided herein as deemed necessary.

**INDEX OF OCCUPATIONAL SERVICES, POSITION TITLES, AND JOB GRADES FOR GOCCs (IOS-G) FRAMEWORK**

**I. BACKGROUND**

Position Classification is an important process where all jobs in the company are systematically assessed and evaluated to determine the relative importance and value to the company. This evaluation, expressed in the form of Career Levels and/or Job Grades, becomes the basis for human-resource related actions and compensation.

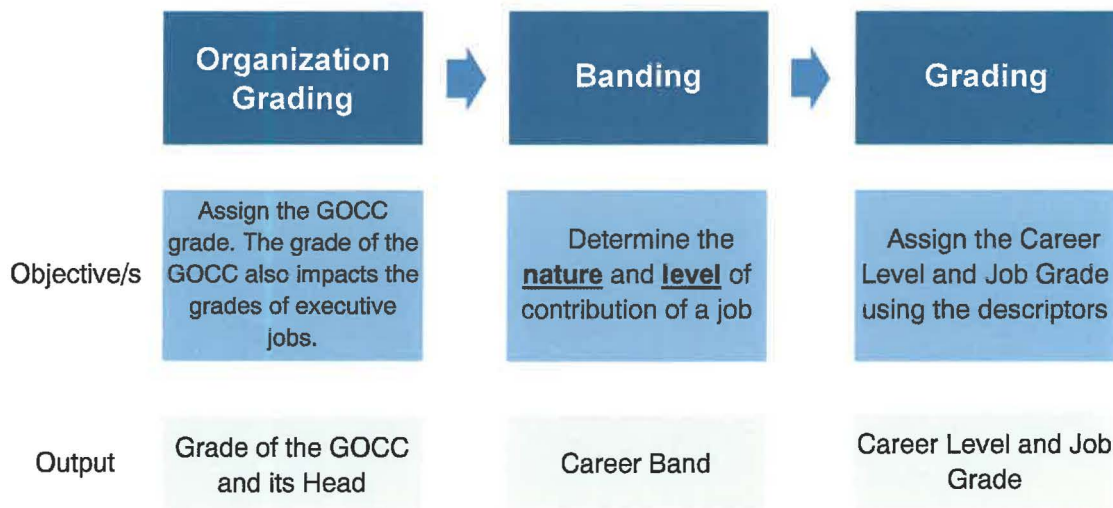
The Position Classification through the job evaluation is focused on measuring the level and nature of contribution of a job defined by knowledge requirements, organization impact, people-related skills, analytical skills, and varying levels of leadership requirement among others. It is not focused on the volume of work, nor the performance, years of service, and current compensation of the job holder.

**II. INFORMATION REQUIREMENTS**

As a prerequisite to any job evaluation exercise, an approved organization structure and staffing pattern, table of organization with functional statements, inventory of positions, and job descriptions (JDs) of the Company are needed. This information which shall be used as the basis for assessing job content is essential for establishing the job evaluation system.

**III. JOB EVALUATION METHODOLOGY**

The methodology enables all jobs in the organization to be evaluated in order to determine their relative importance and value to the organization. The evaluation of jobs is expressed in the following forms:



The highest Job Grade within a GOCC shall be assigned to the CEO or the highest position based on the CPCS Grade of the GOCC. No other plantilla position in the GOCC shall be considered to be of equivalent rank.

All the other positions in a GOCC shall undergo job evaluation using the following steps:

### 1. Determine the Career Band of the job

E.g. Supervisory/Management, Professional, etc.

### 2. Determine the Career Level within the Career Band

E.g. For Supervisory/Management – M1, M2, M3, or M4

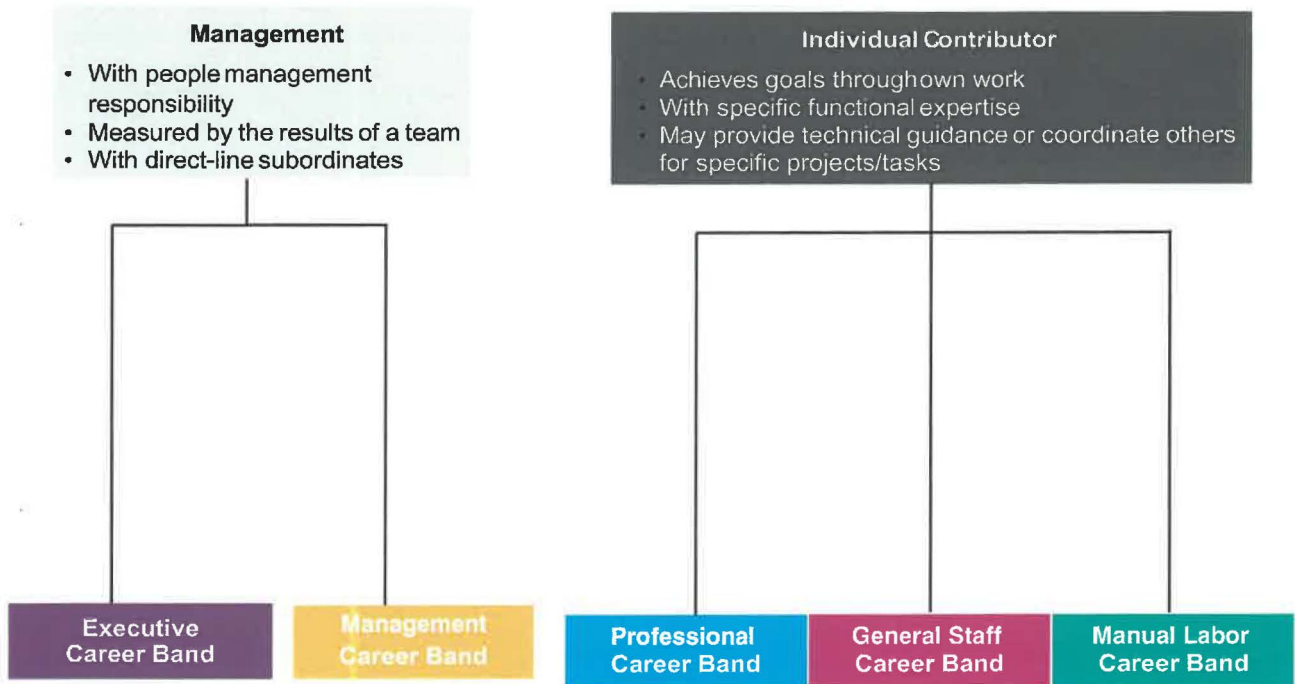
### 3. Determine the Job Grade (JG) within the Career Level

E.g. For M1 – JG 10 or JG 11

## CAREER BAND

Career bands are relative groupings of jobs to help determine the nature (i.e., either management or individual contributor) and assess the level of contribution of a particular role in the organization.

### Career Band Decision Tree



## Career Band Descriptors

<p><b>Executives (EX)</b> JG 16 to 20</p>	<ul style="list-style-type: none"> <li>• Typically, the most senior level with a function who is primarily involved in the development, evolution, and approval of long-term vision/strategy for the entire organization or a function of the organization.</li> <li>• Typically, one down of CEO/President/Business Unit Heads who are members of Executive or Management Committee.</li> <li>• Impacts broader organization performance directly.</li> </ul>
<p><b>Supervisory/ Management (M)</b> JG 10 to 16</p>	<ul style="list-style-type: none"> <li>• Implements organizations strategies through the effective direction and management of resources.</li> <li>• Focus on operationalizing business/functional strategies, policymaking and/or implementation, and ensuring compliance with organization policies.</li> <li>• Accountable for managing people, setting direction, and deploying resources.</li> </ul>
<p><b>Professional (P)</b> JG 8 to 15</p>	<ul style="list-style-type: none"> <li>• At a minimum, the role will require university/college graduates who are expected to use their judgment and apply expertise gained through formal education (specific degree e.g., Accounting, Engineering, Computer Science, etc.) and/or relevant experience.</li> <li>• Knowledge of and exposure to fundamental theories, principles, and practices is essential/required in performing the role.</li> <li>• Works independently within a clear framework of accountability.</li> <li>• Is not bound by step-by-step procedures.</li> </ul>
<p><b>General Staff (G)</b> JG 4 to 9</p>	<ul style="list-style-type: none"> <li>• Performs clerical/administrative or specialized support/technical tasks.</li> <li>• Roles that can be filled by any college graduate where knowledge of process is a key requirement in performing the role.</li> <li>• For more specialized fields, vocational training or certification courses may be required.</li> <li>• Roles in this band is expected to perform a series of actions to complete tasks activities based on standard operating procedures.</li> <li>• Jobholders have limited authority to apply independent judgment at most at higher levels, based on practice and precedence.</li> </ul>
<p><b>Manual Labor (L)</b> JG 2 to 7</p>	<ul style="list-style-type: none"> <li>• Performs operational, craft, or manual tasks where certification is not required.</li> <li>• Performs manual, repetitive tasks according to established procedures, with limited opportunity for independent decision-making.</li> <li>• Work involving almost purely physical effort, and typically materials based (operating machinery, tools, etc.)</li> </ul>

### CAREER LEVEL AND JOB GRADE

Within a career band, the career level shall be assigned based on the descriptors herein (e.g. For Management – M1, M2, M3; For Professional – P3, P4, P5). Each non-executive Career level has a maximum of two (2) corresponding job grades. Such grades shall also be assigned based on the descriptors herein.

#### On GOCCs that have implemented Salary Standardization Law (SSL) Framework

Salary Grades (SGs) 1 – 24 under the SSL have been mapped to the CPCS Job Grades based on the broad level descriptors and qualifications of the positions under the SSL framework. SG 25 and above shall be evaluated using the job evaluation framework under the CPCS Position Classification System.

The mapping to be followed by GOCCs implementing the SSL framework are as follows:

Salary Grade	CPCS Job Grade	Salary Grade	CPCS Job Grade
1	2	13	9
2	3	14	
3	4	15	10
4	5	16	
5		17	
6		11	18
7	19		
8	20		
9	21		
10	7	22	12
11	8	23	
12		24	

#### On GOCCs that have their own Position Classification System

Positions in GOCCs implementing a position classification system that is different from the salary grade system shall be migrated to the CPCS Job Grades based on the job evaluation framework under the CPCS Position Classification System provided herein.

## Career Level and Job Grade Descriptors

Executive Band						
<ul style="list-style-type: none"> <li>Typically, the most senior level within a function who is primarily involved in the development, evolution and approval of long-term vision/strategy for the entire organization or a function of the organization.</li> <li>Typically, one down of CEO/President/Business Unit Heads who are members of Executive or Management Committee               <ul style="list-style-type: none"> <li>Impacts broader organization performance directly</li> </ul> </li> </ul>						
CEO/Business Unit Head	Has ultimate responsibility for the profitability and strategic direction of the Business Unit	JG16	JG17	JG18	JG19	JG20
Chief Operating Officer (COO) / Head of Multiple Key Functions	Plays a direct role in shaping business strategy	15	16	17	18	19
Head of Key Function (Enterprise) / Head of Multiple Support Functions	Significantly influences business strategy; Direct impact on business performance	15	16	17	17	18
Head of Key Function (Segment)	Sets functional strategy and contributes to business strategy; Direct impact on business performance		15	16	16	17
Head of Support Function (Enterprise)	Sets functional strategy and enables the achievement of business strategy; Indirect impact on business performance		15	16	16	17

## Supervisory/Management Career Band

### M4 Group Manager (Job Grade 16)

- Highest level for a non-executive functional head
- Contributes to the development of functional strategies, adapts, and executes functional business plans
- Provides leadership and direction through Senior Managers and Managers
- Accountable for the performance and results of multiple diverse disciplines and teams

### M3 Senior Manager (aligns with Job Grades 14 and 15)

- Highest level for a discipline/multi-discipline head whose main responsibility is for the development of organizational unit plans and priorities
- Responsible for developing organizational unit policies
- Provides leadership to managers, supervisors and/or senior professional staff

#### Job Grade 15 Differentiator

Manages diverse teams (unrelated disciplines) of managers and/or senior professionals (P4)

#### Job Grade 14 Differentiator

Manages teams of managers (single or related disciplines) and/or professionals

### M2 Manager (aligns with Job Grades 12 and 13)

- Operational or day-to-day management of lead professionals and/or supervisors of professionals
- Is accountable for the performance and results of a team within own discipline or function
- Adapts departmental plans and priorities to address resource and operational challenges

#### Job Grade 13 Differentiators

- Accountable for the budget, performance, and results of multiple teams
- Exercises full management authority, including performance and competency reviews, recruitment, discipline, termination, and other personnel actions

#### Job Grade 12 Differentiators

- Accountable for performance and results of a team
- Exercises limited management authority; sets employee performance objectives, conducts performance reviews

### M1 Supervisor (aligns with Global Grades 10 and 11)

- Operational or day-to-day coordination and supervision of activities of general staff and/or manual laborers
- Sets priorities for the team to ensure task completion; coordinates work activities with other supervisors
- Decisions are guided by policies, procedures, and business plan; receives guidance and oversight from manager

#### Job Grade 11 Differentiators

- Accountable for the results of a moderately complex support (non-process based) or production operations team including subordinate work leaders
- Applies acquired expertise to analyze and solve problems without clear precedent

#### Job Grade 10 Differentiators

- Accountable for the results of a team involved in routine (process based) support or production operations teams
- Solves problems based on practice and precedent



## Professional Career Band

### P5 Master (aligns with Job Grade 15)

- Is recognized as a functional expert both within and beyond own organizational unit
- Contributes to the development of organization and functional strategy
- Anticipates internal and/or external business challenges and/or regulatory issues; recommends process, product or service improvements that would have impact on the entire organization

### P4 Subject Matter Expert (aligns with Job Grades 13 and 14)

- Requires specialized depth and/or breadth of expertise in own area or discipline
- Role is focused on defining standards and guiding other professionals in field of specialization
- May lead functional teams
- Works independently, with guidance in only the most complex situations

#### Job Grade 14 Differentiators

- Provides innovative solutions to complex issues in specialized area
- Serves as best practice/quality resource in functional or cross-functional teams

#### Job Grade 13 Differentiators

- Guides others in resolving complex issues in specialized area based on existing solutions and procedures,
- Serves as best practice/quality resource within own discipline

### P3 Career (aligns with Job Grade 11 and 12)

- Requires in-depth knowledge and extensive experience in own discipline
- Acts as resource for colleagues with less experience and may lead project/functional teams
- Works independently; receives minimal guidance

#### Job Grade 12 Differentiators

- Resolves complex problems or problems where precedent may not exist
- Expected to handle escalations
- Identified lead for small teams and may lead projects within own area of expertise

#### Job Grade 11 Differentiators

- Resolves problems using existing solutions
- May act as a lead for project teams and provides informal guidance to junior staff

### P2 Intermediate (aligns with Job Grade 9 and 10)

- Roles that require qualified professionals with considerable amount of practical/working knowledge gained through experience
- Entry level for roles that require licensed legal and/or medical doctors
- Solves problems in straightforward situations; analyzes possible solutions using technical experience, judgment, and precedents
- Receives a moderate level of guidance and direction

#### Job Grade 10 Differentiators

- Has broad knowledge of concepts and procedures gained through considerable work experience
- Expected to resolve problems by application of acquired technical experience and guided by precedents
- Works with a moderate level of guidance

#### Job Grade 9 Differentiators

- Has knowledge on basic concepts and procedures gained through formal training or limited work experience
- Performs a variety of routine tasks or assignments and uses existing procedures to solve standard problems
- Works under supervision and direction from more senior level roles

### P1 Entry (aligns with Job Grade 8)

- Entry level role that requires knowledge and exposure to fundamental theories, principles, and concepts in a particular discipline, obtained through a university degree OR through job related training or experience
- Performs routine assignments and typically receives instruction, guidance, and direction from others

## General Staff Career Band

### G4 Lead (aligns with Job Grades 8 and 9)

- Has developed expertise in a variety of work processes or activities through a combination of job-related training and considerable on-the-job experience
- Typically acts as a lead, coordinating the work of others, but without people management responsibility
- Works autonomously within established procedures and practices

#### Job Grade 9 Differentiator

- Leads one or more teams in the performance of a variety of tasks that are often complex

#### Job Grade 8 Differentiators

- Requires advanced skills and expertise in a variety of processes and atypical work activities or assignments
- May lead and coordinate the work of others

### G3 Senior (aligns with Job Grade 7)

- Has developed skills or proficiency gained through job-related training and/or considerable on-the-job experience performing moderately complex and varied tasks in a specific process
- For rule-based operational work, this grade would represent roles handling end-to-end processing and likely to act as informal resource for colleagues with less experience
- For technicians, performs a full range of processes that are not limited to a single discipline
- Entry-level for administrative support roles where jobs have no/less defined standards (e.g., mostly research, external coordination, organizing events, gathering information, etc.). Roles that provide support to professionals who are involved in activities related to design and conceptualization
- Completes work with a limited degree of supervision

### G2 Intermediate (aligns with Job Grade 6)

- Has developed knowledge and skills through formal training or limited work experience in the skill area
- Day-to-day rule-based operational work (e.g., processing, rule-based evaluation), typically involved in a specific aspect of a process
- For technicians, will require working knowledge and skills to perform defined set of specialized operational skills
- Works within established procedures with a moderate degree of supervision

### G1 Entry (aligns with Job Grades 4 and 5)

- Job requires little or no prior work experience
- Acquires basic skills to perform routine tasks
- Work is prescribed and completed with little autonomy
- Works with either close supervision or under clearly defined procedures

#### Job Grade 5 Differentiators

- May require limited work experience
- Job is focused on understanding of activities and procedures
- Entry-level technician roles that have completed formal relevant training/certification; Or administrative roles (e.g., managing schedules, maintaining records, simple data collection, drafting correspondence, internal coordination)
- Has limited discretion to vary from established procedures

#### Job Grade 4 Differentiators

- No work experience required
- Job is focused on delivery of tasks
- Manual administrative tasks (e.g., filing, sorting, encoding, routing of documents) focused on physical skills

## Labor Career Band

### L4 Lead (aligns with Job Grade 7)

- Designated as a lead, coordinating the work of others – but is not a supervisor
- Works autonomously within established procedures and practices

### L3 Senior (aligns with Job Grade 6)

- Has developed proficiency through job-related training and extensive on-the-job experience in more than one area/process (Multi-skilled)
- Completes work with a limited degree of supervision
- Formally acts as a resource for colleagues with less experience
- Highly specialized operational skills required, needs formal training certification

### L2 Intermediate (aligns with Job Grades 4 and 5)

- Has developed skills through formal training or considerable work experience and performs routine day- to-day activities
- Works within established procedures with a moderate degree of supervision

#### Job Grade 5 Differentiator

Performs the full range of established procedures, and are typically considered as skilled

#### Job Grade 4 Differentiators

- Performs part of an end-to-end process and are typically considered as semi-skilled
- Resolves routine issues with senior staff or supervisory guidance and approval

### L1 Entry (aligns with Job Grades 2 and 3)

- Entry-level job with little or no prior relevant training and experience required
- Works with clearly defined and detailed tasks or methods
- Work is prescribed and completed with close supervision and little autonomy

#### Job Grade 3 Differentiators

- Has limited prior relevant training or work experience
- Roles that are directly involved in specific unskilled tasks (e.g., packing, sorting, lifting, assembling, loading, unloading, delivery, etc.)
- Has limited discretion to vary from established procedures

#### Job Grade 2 Differentiators

- With limited prior relevant training or work experience
- Roles that contribute indirectly to specific unskilled tasks (assists workers that are directly involved in unskilled tasks)
- Has no discretion to vary from established

## IV. IOS-G

The GCG shall have the authority to create an IOS-G which shall contain the listing of Job Families (Occupational Services) and Specializations (Disciplines) of all jobs present across the GOCCs based on the framework herein. It shall serve as a guide in determining the appropriate positions needed in a GOCC. It provides the Occupational Services, Disciplines, Position Title, Career Band, and Job Grade of each job or position.