

Presidential Decree No. 1597

FURTHER RATIONALIZING THE SYSTEM OF COMPENSATION AND POSITION CLASSIFICATION IN THE NATIONAL GOVERNMENT

Whereas, it is the declared and adopted policy of the national government to standardize the compensation of its officials and employees . . . on the basis of substantial similarity in duties and responsibilities and qualification requirements for satisfactory performance of assigned tasks;

Whereas, there are existing special salary laws, decrees and other approvals that authorize salary rates other than those in the National Classification and Pay Plans;

Whereas, the proliferation of special salary laws is inimical to sound public administration and complicates salary adjustment because of disparities and inflexibility in salary rates, ranges and/or other forms of compensation;

Now, therefore, I, Ferdinand E. Marcos, . . . by virtue of the powers vested in me by the Constitution, do hereby order and decree:

Section 1. *Statement of policy.* It is hereby declared policy that the officials and employees of the national government, including the judiciary, the Career Executive Service, the Foreign Service, the Armed Forces, subordinate officials of Constitutional commissions, government-owned or controlled corporations, and state colleges and universities, shall be compensated in accordance with a National Position Classification and Compensation Plan approved by the President.

Section 2. *Coverage.* The coverage of the position classification and compensation systems established in Section 4 of P.D. 985 is hereby amended to limit the exemptions mentioned therein to: (a) elected officials and officers whose compensation is fixed by the Constitution, (b) local government officials and employees who are governed by P.D. 1136.

Section 3. *Repeal of special salary laws and regulations.* All laws, decrees, executive orders and other issuances or parts thereof are hereby repealed that exempt agencies from the coverage of the National Compensation and Position Classification System as established by P.D. 985 and P.D. 1285, or which authorize and fix position classification, salaries, pay rates/ranges or allowances for specified positions to groups of officials and employees or to agencies that are inconsistent with the position classification or rates in the National Compensation and Position Classification Plan.

Section 4. *Salaries of incumbents.* All positions at present assigned salaries which have been fixed in special salary laws, decrees, executive orders or other authorizations shall continue to be authorized said salaries until the positions are fully integrated within the National Compensation and Position Classification Plan: *Provided*, That the Budget Commission shall issue such regulations as will assure an orderly transition into a single national position classification and compensation system; *Provided, Further*, that no incumbent of positions heretofore excluded from the coverage of P.D. 985 and P.D. 1285 shall suffer a reduction in total salary and allowances.

Section 5. *Allowances, honoraria and other fringe benefits.* [These] which may be granted to government employees, whether payable by their offices or by other agencies of government, shall be subject to the approval of the President upon recommendation of the Commissioner of the Budget. For this purpose, the Budget Commission shall continuously review and shall prepare . . . policies and levels of allowances and other fringe benefits applicable to government personnel, including honoraria or other forms of compensation for participation in projects which are authorized to pay additional compensation.

Section 6. *Exemptions from OCPC regulations.* Agencies, positions or groups of officials and employees of the national government, including government-owned or controlled corporations, that are hereafter exempted by law from OCPC coverage shall observe such guidelines and policies as may be issued by the President governing position classification, salary rates, levels of allowances, projects and other honoraria, overtime rates and other forms of compensation and fringe benefits. Exemptions notwithstanding, agencies shall report to the President, through the Budget Commission, on their position classification and compensation plans, policies, rates and other related details following such specifications as may be prescribed by the President.

Section 7. *Repealing clause.* Any law or decree or parts thereof which are inconsistent herewith are hereby repealed or amended accordingly.

Section 8. *Effectivity.* This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

By the President:

(SGD.) JACOBO C. CLAVE
Presidential Executive Assistant