



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
Building I, General Solano Street, San Miguel, Manila



BUDGET CIRCULAR

No. 2009-3

August 18, 2009

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs); Government-Owned or Controlled Corporations (GOCCs); Government Financial Institutions (GFIs); Chief Executives of Local Government Units (LGUs); and All Others Concerned

SUBJECT : Rules and Regulations on the Grant of the Personnel Economic Relief Allowance at P2,000 per Month

1.0 Background

- 1.1 Senate and House of Representatives Joint Resolution No. 4, approved by Her Excellency, President Gloria Macapagal-Arroyo on June 17, 2009, resolves as follows:

"To authorize the President of the Philippines to modify the existing Compensation and Position Classification System of civilian personnel and Base Pay Schedule of military and uniformed personnel and to initially implement the same effective July 1, 2009, and in the case of local government units (LGUs) to take effect January 1, 2010."

- 1.2 Items (4)(f) and (4)(f)(i) of said Joint Resolution provide as follows:

"(f) Standard Allowances and Benefits - These are allowances and benefits given to all employees across agencies at prescribed rates, guidelines, rules and regulations, which shall be limited to the following:

- (i) Personnel Economic Relief Allowance - This shall be given at Two thousand pesos (P2,000.00) per month, the combined total of the current Five hundred pesos (P500.00) Personnel Economic Relief Allowance and the One thousand five hundred pesos (P1,500.00) Additional Compensation, to supplement pay due to the rising cost of living;"

- 1.3 Pursuant to the afore-cited provisions, the Personnel Economic Relief Allowance (PERA) in the maximum amount of P500 per month and the Additional Compensation in the amount of P1,500 per month, received by government personnel prior to the effectivity of said Joint Resolution, shall be combined and collectively referred to as PERA in the amount of P2,000 per month.

2.0 Purpose

This Circular is issued to prescribe the rules and regulations on the grant of the PERA.

3.0 Coverage

The following are covered by this Circular:

- 3.1 Civilian government personnel occupying regular, contractual, or casual positions; appointive or elective; rendering services on full-time or part-time basis; and whose positions are covered by Republic Act (R.A.) No. 6758, "Compensation and Position Classification Act of 1989," as amended; and
- 3.2 Military personnel of the Armed Forces of the Philippines, Department of National Defense; and uniformed personnel of the Philippine National Police, Bureau of Fire Protection, and Bureau of Jail Management and Penology under the Department of the Interior and Local Government; Philippine Coast Guard; and the National Mapping and Resource Information Authority.

4.0 Exclusions

The following are excluded from the coverage of this Circular:

- 4.1 Positions not entitled to any other emolument, aside from salaries, pursuant to the Philippine Constitution;
- 4.2 Positions for civilian personnel in government agencies which are authorized by law to adopt, and are actually implementing their own compensation and position classification systems;
- 4.3 Those hired without employee-employer relationships and funded from non-Personal Services appropriations/budgets, as follows:
- 4.3.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
- 4.3.2 Laborers hired through job contracts (pakyaw) and those paid on piecework bases;
- 4.3.3 Student laborers and apprentices; and

4.3.4 Others similarly situated; and

4.4 *Barangay* officials and employees paid monthly honoraria.

5.0 Payment of PERA

- 5.1 The PERA shall be paid only when basic pay (salary, wage, or base pay) is also paid.
- 5.2 The PERA at P2,000 per month shall be paid to personnel in NGAs, GOCCs, and GFIs covered by this Circular, provided they render full-time services for eight (8) hours per working day, twenty-two (22) working days per month, inclusive of leaves of absence with pay.
- 5.3 As determined by the *sanggunian*, the PERA at P2,000 per month may also be paid to salaried LGU personnel, regardless of the LGU income class, provided they render services for eight (8) hours per working day, twenty-two (22) working days per month, inclusive of leaves of absence with pay, subject to items 6.0 and 8.0 of this Circular.
- 5.4 The PERA of personnel who incurred absences without approved leaves of absence or on leave of absence without pay during the month shall be computed on the basis of the number of days worked with basic pay. For each working day, the PERA shall be P90.91 (computed by dividing P2,000 per month by 22 working days per month).
- 5.5 The PERA of casual personnel paid on daily basis shall also be P90.91 per day.
- 5.6 The PERA of personnel hired on part-time basis shall be computed in direct proportion to the P2,000 per month PERA for full-time service.
- 5.7 The PERA of personnel on detail with other government agencies shall be paid by their mother agencies.
- 5.8 The PERA of personnel with pending cases shall be paid for as long as they render services and are paid their basic salaries/wages or base pay.

6.0 Payment of PERA in Case of Insufficiency of Funds

GOCCs, GFIs, and LGUs which do not have sufficient funds to implement fully the PERA at P2,000 per month may pay lower rates of PERA, provided that the grant thereof is at same rates for all positions.

7.0 Fund Sources

- 7.1 For national government agencies (NGAs), including SUCs, the PERA for regular positions for the period, July 1, 2009 to December 31, 2009, shall be charged against agency appropriations for PERA and Additional

Compensation. In case of deficiencies, payment thereof shall be charged against agency savings.

In succeeding fiscal years, the PERA shall be charged against agency appropriations for the purpose. Any deficiency shall be charged against agency savings.

The PERA for casual and contractual personnel shall be charged against the respective agency lump sum appropriations.

7.2 For GOCCs and GFIs, the amounts shall be charged against their respective corporate funds.

7.3 For LGUs, the amounts shall be charged against their respective local government funds.

8.0 Personal Services Limitation

The payment of the PERA to LGU personnel shall be subject to the Personal Services limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of R.A. No. 7160.

9.0 Responsibilities of Agency Heads

Agency Heads shall be held responsible for the proper implementation of the provisions of this Circular. They shall be held liable for any grant of PERA not in accordance with the provisions of this Circular without prejudice, however, to the refund of any undue payments by the personnel concerned.

10.0 Saving Clause


Cases not covered by the provisions of this Circular shall be submitted to the DBM for resolution.

11.0 Repealing Clause

This Circular repeals Budget Circular No. 12 dated April 7, 1997, Budget Circular No. 2006-2 dated March 2, 2006, and other provisions on the PERA and Additional Compensation in existing circulars.

12.0 Effectivity

This Circular shall take effect July 1, 2009, for personnel in NGAs, SUCs, GOCCs, and GFIs, and effective January 1, 2010, for personnel in LGUs.


ROLANDO G. ANDAYA, JR.
Secretary