



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Building I, General Solano Street, San Miguel, Manila



CIRCULAR LETTER

No. 2008-7

June 2, 2008

- TO :** HEADS OF DEPARTMENTS AND AGENCIES OF THE EXECUTIVE BRANCH, INCLUDING GOVERNMENT-OWNED AND/OR -CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), AND ALL OTHERS CONCERNED
- SUBJECT :** MORATORIUM ON THE FILLING OF REGULAR POSITIONS AND HIRING OF NEW PERSONNEL, AUTHORITY TO RENEW APPOINTMENTS/CONTRACTS, AND PROHIBITION ON THE REHIRING OF AFFECTED PERSONNEL WHO OPTED TO RETIRE/BE SEPARATED FROM THE SERVICE UNDER EO 366
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1.0 Purpose

This Circular Letter is being issued to:

- 1.1 Reiterate the continuing moratorium on the filling of vacant regular/permanent/itemized positions by Departments/Agencies/GOCCs/GFIs of the Executive Branch and the hiring of new casuals/contractuals, including personnel on consultancy/emergency/job order basis, while their respective Rationalization Plan has not yet been approved;
- 1.2 Extend the authority of Department Secretaries/Agency Heads to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy/emergency/job order basis for a specific period; and
- 1.3 Prohibit the rehiring of affected personnel who opted to retire/be separated from the service under EO 366 in any agency of the Executive Branch, including in GOCCs/GFIs.

2.0 Guidelines

Moratorium on the Filling of Positions/Hiring of Personnel

- 2.1 The moratorium on the filling of regular/permanent/itemized positions, either through original appointment, promotion, transfer or reemployment, and the hiring of new casuals/contractuals, including personnel on consultancy/

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emergency/job order basis, shall continue to be implemented in all Departments/Agencies/GOCCs/GFIs of the Executive Branch whose Rationalization Plan has not yet been approved by this Department, consistent with Section 7 of Executive Order No. 366 and Section 13.a of its Implementing Rules and Regulations, as reiterated under DBM Circular Letters No. 2005-08 dated 03 June 2005, 2006-02 dated 05 January 2006, 2006-09 dated 20 June 2006, 2006-15 dated 27 November 2006, 2007-08 dated 28 May 2007, and 2007-12 dated 12 December 2007.

The temporary suspension shall not apply to teaching positions, medical and allied medical items in hospitals and other medical facilities servicing agency clients, as well as to uniformed positions in the Departments of National Defense, Interior and Local Government, Transportation and Communications, and Environment and Natural Resources. However, medical and allied medical positions which primarily provide service to agency personnel are covered by the moratorium.

Authority to Renew Appointments/Contracts

2.2 Department Secretaries/Agency Heads shall be allowed to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy/emergency/job order basis for the period that the Department/Agency is undergoing rationalization activities, but not to go beyond one (1) month after the approval of the agency's Rationalization Plan or 31 December 2008, whichever comes earlier, except those personnel whose authorized period of hiring should not go beyond 30 June 2008 and those with specific deliverables for a set timeframe, subject to pertinent budgetary, civil service, accounting and auditing rules and regulations.

In the renewal of the appointments/contracts of personnel, the following provisions shall apply:

- a. For National Government Agencies, the funds appropriated for the purpose are sufficient and the action would not entail additional budgetary release or realignment of non-Personal Services (PS) funds to PS;
- b. In the case of GOCCs, funds for the purpose shall be charged against internally-generated funds/project funds included in the Board-approved Corporate Operating Budget;
- c. The maximum number of personnel whose contracts/appointments would be renewed shall not exceed the actual employees at the start of the Department/Agency's rationalization efforts, as adjusted by the DBM-authorized hiring of new/additional personnel; and

- d. There shall be no new hiring and/or replacement of resigned/retired/separated/terminated/regularized staff.
- 2.3 The renewal of appointments/contracts of personnel for projects with DBM-approved staffing pattern shall be limited to the existing number of authorized positions and to the set timeframe for hiring.

Policy on Rehiring of Retired/Separated Personnel

- 2.4 Government personnel who opted to retire/be separated from the service as a result of the rationalization efforts of their Department/Agency could no longer be appointed nor hired in any agency of the Executive Branch, including in GOCCs/GFIs, except in teaching positions in educational institutions and in medical and allied medical items in hospitals, within a period of five (5) years. Reemployment in any Branch of Government shall be considered as new entry to the civil service.
- 2.5 The provision of consultancy services by government personnel who voluntarily retired/separated shall be governed by Section 7 of RA 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees dated 20 February 1989.

3.0 Responsibility Clause

It shall be the responsibility of the Department Secretaries and equivalent Agency Heads to strictly implement the provisions of this Circular Letter.

4.0 Applicability Clause

The provisions of this Circular Letter shall be applicable until revoked.

5.0 Effectivity

This Circular Letter shall take effect upon its publication in a newspaper of general circulation.


ROLANDO G. ANDAYA, JR.
Secretary