

Republika ng Pilipinas  
(Republic of the Philippines)  
KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS  
(DEPARTMENT OF EDUCATION, CULTURE AND SPORTS)  
Manila

June 11, 1990

DECS O B R D E R  
No. 63, s. 1990

RULES AND REGULATIONS GOVERNING THE GRANT OF STEP INCREMENTS  
TO DESERVING OFFICIALS AND EMPLOYEES OF THE GOVERNMENT

To: Undersecretaries  
Assistant Secretaries  
Bureau Directors/Cultural Agency Directors  
Directors of Services and Heads of Centers/Units  
Regional Directors  
Schools Superintendents  
Presidents, State Colleges and Universities  
Vocational School Superintendents

1. Inclosed is a copy of Joint Civil Service Commission and Department of Budget and Management Circular No. 1, s. 1990, prescribing the rules and regulations governing the grant of step increments to deserving officials and employees.

2. Conformably thereto, regional directors, schools division superintendents and vocational schools superintendents are hereby directed to notify the officials, teachers and employees under their respective offices/schools whose appointments are delegated to them, through a Notice of Step Increment (Annex C of the said joint circular). They shall also submit direct to the Civil Service Commission and the Department of Budget and Management the reports desired therein (Annexes D and E of the said joint circular), copies of which should be furnished this Office.

3. To implement the grant of step increments based on merit each school division, vocational school under a superintendent and regional office shall create a Merit Increase Committee in their respective schools/offices that shall screen and evaluate candidates recommended for such merit increase. The Committee shall be composed, as follows:

a. In the Regional Office

(1)	Director III (Asst. Reg. Director)	- Chairman
(2)	Administrative Officer	- Member
(3)	Personnel Officer	- Member
(4)	Chief, Elem. Educ. Division	- Member
(5)	Chief, Sec. Educ. Division	- Member

b. In the School Division

- (1) Asst. Schools Div. Supt. - Chairman
- (2) Administrative Officer - Member
- (3) Three (3) Division Supervisors - Members

c. In the Vocational Schools (headed by a superintendent)

- (1) Secondary School Principal - Chairman
- (2) Administrative Officer - Member
- (3) Two (2) Head Teachers - Members

4. Likewise, a Merit Increase Committee is hereby created to screen and evaluate recommendations for merit increase of officials and employees in the DECS Central Office and the attached agencies, and assistant superintendents and superintendents. The Committee shall be composed, as follows:

- a. Mr. Marcial A. Salvatierra - Chairman  
Assistant Secretary, HRDS
- b. Dr. Marcelina M. Miguel - Member  
Director III, BEE
- c. Dr. Avelina Llagas - Member  
Director III, ESE
- d. Mr. Benjamin G. Etrata - Member  
Chief, Personnel Division
- e. Mr. George R. Garma - Member  
Chief, Employees Welfare and  
Benefits Division

5. Presidents of state colleges and universities shall implement the grant of step increments to officials and employees in their respective schools.

6. Particular attention is invited to the funding source for the implementation of the step increments prescribed under the joint circular as provided for in Section 10 thereof.

7. Please be guided accordingly.

(SGD.) ISIDRO D. CARINO  
Secretary

Incls.:

As stated

Reference:

N o n e

Allotment: 1-2-3--(N.O. 1-87)

To be indicated in the Perpetual Index  
under the following subjects:

COMMITTEE  
EMPLOYEES  
OFFICIALS

RULES & REGULATIONS  
TEACHERS

(Inclosure to DECS Order No. 63, s. 1990)

Joint Civil Service Commission

and

Department of Budget and Management

Circular No. 1, s. 1990

RULES AND REGULATIONS GOVERNING THE GRANT OF STEP INCREMENTS  
TO DESERVING OFFICIALS AND EMPLOYEES OF THE GOVERNMENT

Pursuant to Section 13(c) of Republic Act No. 6758 otherwise known as the "Compensation and Classification Act of 1989", the Civil Service Commission and the Department of Budget and Management jointly promulgate the following rules and regulations that shall govern the grant of step increments based on merit and/or length of service:

RULE I. Coverage

Section 1. These rules and regulations shall apply to all officials and employees in the national and local governments, including those in government-owned and controlled corporations with original charters, state universities and colleges, judiciary and legislature, who are appointed on a permanent status in the career service.

RULE II. Selection Criteria

Section 1. Step increments shall be granted to all deserving officials and employees referred to in Section I, Rule I hereof, based on the following criteria:

- (a) Merit - For those who have rendered very satisfactory or outstanding performance in assigned functions for two consecutive rating periods; and
- (b) Length of Service - For those who have rendered continuous satisfactory service in a particular position for at least three (3) years.

RULE III. Step Increments

Section 1. Merit Schedule. The grant of step increments to deserving officials and employees on the basis of merit shall be in accordance with the following:

Criteria	No. of Step Increment	Effectivity
a) Very satisfactory performance for two (2) consecutive rating periods based on agency approved performance appraisal system	One (1) step	The day following the end of the second rating period
b) Outstanding performance for two consecutive rating periods based on agency approved performance or appraisal system	Two (2) steps	The day following the end of the second rating period

In the initial implementation of step increments based on merit, performance for 1990 shall be made the basis of the merit.

SEC. 2. Length of Service. A one (1) step increment shall be granted to officials and employees for every three (3) years of continuous satisfactory service in the position. Years of service in the position shall include the following:

- (a) those rendered before the position was reclassified to a position title with a lower or the same salary grade allocation; and
- (b) those rendered before the incumbent was transferred to another position within the same agency or to another agency without a change in position title and salary grade allocation.

In the initial implementation of step increments in 1990, an incumbent shall be granted step increments equivalent to one (1) step for every three (3) years of continuous satisfactory service in a given position occupied as of January 1, 1990.

SEC. 3. Steps for Salary Grades 30 to 33. For positions allocated to salary grades 30 to 33, each succeeding step after the first step shall be computed at one per cent (1%) of the immediately preceding derived step of the salary grade allocation.

SEC. 4. Restrictions. The following restrictions shall be observed in the grant of step increments:

- (a) The adjusted salary of an official or employee after the grant of step increment shall not exceed the maximum step of the salary grade of his position, subject to the mathematical rules on rounding off as illustrated in Annex A.
- (b) No step increment received by an official or employee shall be carried to a higher position to which he is promoted or appointed as a result of reclassification.

(b) submit to the Civil Service Commission and the Department of Budget and Management, not later than fifteen days after the end of each semester of a calendar year a list of officials and employees granted step increments under these Rules using the attached Form (Annex D), including a list of positions vacated by recipients of step increments (Annex E).

SEC. 10. Funding Source. Funding for the initial implementation of the step increments provided herein shall be charged against savings of the department or agency. Thereafter, step increments shall be charged against appropriations to be provided for the purpose and for other award and incentive schemes equivalent to two per cent (2%) of the total appropriations for personal services of the department or agency. In the case of government-owned or controlled corporations and local government units, an amount equivalent to two per cent (2%) of their total personal services cost shall likewise be provided in their respective budgets, chargeable against their own funds.

#### RULE IV. Complaints and Protests

SECTION 1. Interpretation. Complaints and protests arising from the implementation of these Rules shall not be construed as disciplinary cases and shall not be governed by administrative and disciplinary procedures.

SEC. 2. Complaints and Grievance Committee. All complaints and protests arising from the implementation of these Rules shall be brought to the agency Complaints and Grievance Committee created under CSC Memorandum Circular No. 45, s. 1989.

The Committee shall adopt its own rules to govern the conduct of its activities in the evaluation of such complaints and protests.

#### RULE V. Repeal

SECTION 1. All rules, regulations, policies and standards inconsistent with these Rules are hereby repealed and/or amended accordingly.

#### RULE VI. Effectivity

SECTION 1. These Rules shall take effect January 1, 1990.

(SGD.) PATRICIA A. STO. TOMAS  
Chairman

(SGD.) GUILLERMO N. CARAGUE  
Secretary

29 March 1990

A true copy

(c) The total number of recipients of step increments based on merit in any one (1) calendar year shall not be more than ten per cent (10%) of the total number of personnel actually employed in the department or agency, provided that the total number of recipients of two step increments shall not exceed three per cent (3%) thereof. See Annex B for Illustrative Examples.

(d) No step increment based on merit shall be given to an official or employee on the ground that he is retiring in the near future and for purposes of enabling him to collect a higher retirement gratuity except as he may qualify in accordance with the criteria established under these Rules.

SEC. 5. Qualification(s) for Other Incentives and Awards. Those granted step increments under these Rules may still qualify for other existing incentives and awards, provided they meet the criteria of said awards.

SEC. 6. Nullification. Any step increment granted in violation of these Rules shall be deemed null and void and the head of the department or agency shall require the refund to the government of whatever amount the awardee(s) has received.

For any grant of step increments found to be based on spurious documents or representations, the head of the department or agency shall be personally liable for the refund to the government of the amount granted.

SEC. 7. Responsibility. The head of the department or agency shall review annually the grant of step increments.

Every department or agency shall develop its own systems and procedure in the recommendation, evaluation and approval of step increment grants.

SEC. 8. Incorporation in Personal Services Itemization and Basic Salary. Step increments granted to officials and employees shall be treated as part of their basic salary and shall be incorporated in the Personal Services Itemization of the department or agency for the subsequent calendar year and thereafter.

SEC. 9. Notification. The head of the department or agency shall:

(a) notify in writing the official or employee concerned of the step increments granted under these Rules through a Notice of Step Increments (Annex C), a copy of which shall be furnished the OSIS, and

## Illustrative Examples of Rounding Off

1. If the resultant rate has a remainder ranging from P0.51 to P0.99, said remainder shall be rounded-off to P1.00.

e.g.:

P18,975.00	base pay
x 1%	
-----	
P 189.7	increment
P18,975.00	base pay
+ 189.75	increment
-----	
P19,164.75	or
P19,165.00	
=====	

2. If the resultant rate has a remainder ranging from P0.01 to P0.49, said remainder shall be dropped.

e.g.:

P19,633.00	base pay
x 1%	
-----	
P 196.33	increment
P19,633.00	base pay
+ 196.33	increment
-----	
P19,829.33	or
P19,829.00	
=====	

3. If the remainder is P0.50 and is preceded by an odd number, that remainder shall be rounded-off to P1.00. However, if it is preceded by an even number, the same remainder shall be dropped.

e.g: P19,745.50 = P19,746 (for odd number)

P19,746.50 = P19,746 (for even number)

## Illustrative Examples

## A. Agency with 1,000 employees

Ten per cent (10%) or 100 employees is the maximum number that may be given merit increase provided their performance for two (2) consecutive rating periods has been rated outstanding or very satisfactory.

In this example, a maximum of 3% or 30 employees may be given a 2 step increment, provided their performance has been rated outstanding for two consecutive rating periods. The remaining 7% or 70 employees may be given a 1 step increment provided their performance has been rated at least very satisfactory for two (2) consecutive rating periods.

## B. Agency with 225 employees

Ten per cent (10%) or 23 employees is the maximum number that may be given merit increase provided their performance has been rated at least very satisfactory for two (2) consecutive rating periods.

In this example, only seven (7) may be given a 2 step increment and the sixteen (16) others a one (1) step increment provided the conditions stated under Illustrative Example A are met.



\_\_\_\_\_  
Name of Agency

Notice of Step Increments

Date \_\_\_\_\_

Mr./Ms. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sir/Madam:

Pursuant to Joint Civil Service Commission (CSC) and Department of Budget and Management (DBM) Circular No. 1, s. 1990 implementing Section 13 (c) of RA No. 6758, your salary as Clerk I, SG-3 is hereby adjusted effective January 1, 1990 as shown below.

Basic Monthly Salary

As of December 31, 1989..... P

Salary Adjustment

- a. Merit ( \_\_\_\_\_ step/s) P \_\_\_\_\_
- b. Length of Service ( \_\_\_\_\_ step/s) P \_\_\_\_\_

The step increment/s is/are subject to review and post-audit by the Department of Budget and Management and subject to readjustment and refund if found not in order.

Very truly yours,

\_\_\_\_\_  
Head of Department/Agency

Copy furnished:

The GSIS

List of Officials and Employees  
Granted Step Increments Pursuant to  
Joint Civil Service Commission and  
Department of Budget and Management  
Circular No. 1, s. 1989

Name of Department/Agency \_\_\_\_\_

Name of Official/Employee	Performance Rating	Item No. CY	Position Title	Salary Grade	Actual Salary Prior to the Grant or Step Increments	Adjusted Salary after the grant of Step Increments	Diff
A. Step Increments Based on Merit							
1.							
2.							
3.							
4.							
5.							
B. Step Increments Based on Length of Service							
1.							
2.							
3.							
4.							
5.							

Sub Total: \_\_\_\_\_

Sub. Total: \_\_\_\_\_

Grand Total:=====

Certified Correct:

\_\_\_\_\_  
Department/Agency Head

List of Positions Vacated  
by Recipients of Step Increments

Name of Department/Agency \_\_\_\_\_

<u>Item NO.</u> <u>CY 19__</u>	<u>Position Title</u>	<u>Salary</u> <u>Grade</u>	<u>Salary</u> <u>Rate</u>
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Certified Correct:

Department/Agency