



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
ADMINISTRATIVE SERVICE
MALACAÑANG, MANILA

3 July 2013

HON. MARIO G. MONTEJO
Secretary
Department of Science and Technology
Gen. Santos Avenue, Bicutan
Taguig City

Department of Science and Technology
Records Management Section(GSD)



RMS-13-07195

Department of Science and Technology
Office of the Secretary(OSEC)



OSEC-13-01476

Dear Secretary Montejo:

This is to respectfully transmit for information and record purposes the three sets of certified true copies of Joint Circular No. 1, s. 2013 of the Department of Budget and Management and the Department of Science and Technology dated 25 June 2013, entitled "Rules and Regulations on the Grant of Compensation-Related Magna Carta Benefits to Scientists, Engineers, Researchers and Other Science and Technology (S & T) Personnel".

Thank you.

Very truly yours,

Mary
SOFIA C. YANTO
Director

OMM-AS-RD 7/3/13



**Department of Budget and Management
Department of Science and Technology**



Joint Circular No. 1, s. 2013

June 25, 2013

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs), Government-Owned or -Controlled Corporations (GOCCs); and All Others Concerned

SUBJECT : Rules and Regulations on the Grant of Compensation-Related Magna Carta Benefits to Scientists, Engineers, Researchers, and Other Science and Technology (S & T) Personnel

1.0 Background

- 1.1 Under Section 22 of Republic Act (RA) No. 8439¹, approved on December 22, 1997, the Department of Science and Technology (DOST), in consultation with government and non-government agencies involved in S & T activities, was authorized to formulate the implementing rules and regulations to carry out the provisions of the Act.
- 1.2 On the other hand, item (6), "*Magna Carta Benefits*," of the Senate and House of Representatives Joint Resolution (JR) No. 4², s. 2009 provides, among others, that the Department of Budget and Management (DBM), in coordination with the agencies concerned, shall determine the qualifications, conditions, and rates in the grant of said benefits, and to determine those that may be categorized under the Total Compensation Framework. It further states that the consultative councils, departments, and officials previously authorized to issue the implementing rules and regulations of Magna Carta benefits shall no longer exercise said functions relative to the grant of said benefits.
- 1.3 Pursuant to the compensation principles espoused in JR No. 4, the grant of compensation-related Magna Carta benefits to Scientists, Engineers, Researchers, and other S & T Personnel in the Philippine government, collectively the S & T Personnel, needs to be rationalized to ensure equity and uniformity in remuneration, while considering the unique and distinct needs of the highly technical and specialized S & T Personnel and the

¹ R.A. No. 8439 – "Magna Carta for Scientists, Engineers, Researchers and Other S & T Personnel in the Government," approved on December 22, 1997 and took effect on January 20, 1998

² JR No. 4 - "Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for Other Purposes," approved on June 17, 2009

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imperative to sustain the drive for Philippine economic growth through S & T mastery.

- 1.4 Moreover, there is a need to balance and harmonize the provisions of R.A. No. 8439 and the implementing rules and regulations on the grant of said benefits with the availability of government financial resources and the imperative to enforce the rules on the use of funds, particularly savings.

2.0 Purpose

This Joint Circular (JC) is issued to prescribe the rules and regulations on the grant of the following compensation-related Magna Carta benefits to S & T Personnel:

- 2.1 Honoraria for Assignment in Special Projects;
- 2.2 Honoraria for Lecturers, Resource Persons, Coordinators, and Facilitators;
- 2.3 Honoraria/Compensation for Consultancy Services Rendered to the Private Sector;
- 2.4 Compensation for Secondment to the Private Sector;
- 2.5 Honoraria/Per Diem for Membership in Governing Boards of National Government Agencies (NGAs) under the DOST and in Inter-Agency Committees Created by Law or Executive Issuance;
- 2.6 Hazard Pay;
- 2.7 Subsistence Allowance;
- 2.8 Laundry Allowance;
- 2.9 Free Living Quarters or Quarters Allowance;
- 2.10 Longevity Pay; and
- 2.11 Salary Increase for Retirement and Terminal Leave Benefit Purposes.

3.0 Coverage

This JC covers the following personnel in NGAs, including SUCs, and GOCCs holding regular, contractual, or casual positions, which are either covered or not covered by RA No. 6758³, as amended:

- 3.1 Personnel under the DOST and its attached agencies who are involved in the following activities:
 - 3.1.1 S & T program and project planning and policy work – includes the formulation of policies, plans, programs, and projects for S & T development and promotion and for ensuring that the results thereof are properly applied and utilized; and prescription of guides for performance evaluation and monitoring;
 - 3.1.2 S & T activities such as:
 - 3.1.2.1 Research and development services – includes conduct of basic and applied research to increase stock of knowledge and to devise new or modified applications or technologies and products up to the commercial state, which may be in

³ RA No. 6758 - "Compensation and Position Classification Act of 1989," dated August 21, 1989

joint venture with the public and private sectors; and establishment of product/technology standards.

3.1.2.2 Scientific and technological services – refers to support to basic and applied research, including but not limited to the following:

- a) Conduct of geological, hydrological, other science-related surveys; undertaking observations and forecasts of weather systems and other climatological studies; conduct of studies related to: volcanology, seismology, tsunamis, other related hazards – to enhance capacity for disaster risk reduction and for generation of technologies; observance of atmospheric, geophysical, and astronomical phenomena to ensure the safety, security, and well-being of people; biotechnology; and micro-electronics;
- b) Conduct of technology assessment, feasibility, and technical studies;
- c) Operation and maintenance of research and development facilities;
- d) Provision of engineering design services and/or consultancy services to complement research and development;
- e) Licensing and regulatory activities related to the production, transfer, and utilization of nuclear and/or radioactive substances;
- f) Counseling of clients;
- g) Providing access to S & T information through library services, museum services, dissemination of S & T information through publications and press releases;
- h) Provision of testing, standardization, quality control, and calibration services;
- i) Provision of support services to patent application;
- j) Overseeing technology transfer and commercialization;
- k) Programming of government funds for research and development; generation of external funds for research and development projects, conduct of scientific conferences, scientific publications; and

l) Development and maintenance of management information systems on S & T.

3.1.3 S & T education and training – undertaking S & T manpower development for improvement of science and mathematics instruction; conduct of specialized non-university education; provision of secondary education with emphasis on science and mathematics subjects; administration of scholarship grants; maintenance of effective linkages with scientific organizations; and promotion of S & T information exchange;

3.1.4 S & T technical support services – those rendered by technicians, technologists or science aides in the operation and maintenance of scientific and technical equipment and conduct of supervised routine technical or laboratory procedures; other related technical assistance services;

3.1.5 Support services rendered by DOST S & T Related Personnel, provided that they have obtained at least 12 academic units in science, engineering, related courses, or completed any appropriate training, as determined by the DOST Secretary.

3.2 Personnel under the DOST and other government agencies appointed to the ranks of Scientist I to V under the Scientific Career System, along the fields of natural sciences, engineering, technology, medical sciences, agricultural sciences, selected fields of social sciences, and other related disciplines as may be determined by the Scientific Career Council created under Executive Order No. 90, upon recommendation of the DOST.

3.3 S & T Personnel and technical support personnel under other government agencies outside of the DOST who are engaged in S & T program and project planning and policy work, and S & T activities, who are certified as S & T Personnel by the DOST Secretary on a yearly basis, subject to the following conditions, among others:

3.3.1 The S & T-related functions of an agency are authorized by law or by competent authority;

3.3.2 The positions concerned are part of the authorized staffing pattern of organizational units performing S & T functions;

3.3.3 The incumbents of positions are actually engaged in S & T- related work; and

3.3.4 The validity of the DOST certification shall be coterminous with the actual exercise of functions or involvement of the certified S & T Personnel.

4.0 Honoraria for Assignment in Special Projects

Section 7(a) of R.A. No. 8439 provides that S & T personnel who render services beyond the established workload of scientists, technologists, researchers and technicians whose broad and superior knowledge, expertise or professional standing in a specific field contributes to productivity and innovativeness shall be entitled to receive Honoraria. The Implementing Rules and Regulations of R.A. No. 8439 allows the grant of Honoraria to S & T Personnel for assignment in special projects.

Section 44(e) of the General Provisions of R.A. No. 10352, the FY 2013 General Appropriations Act (GAA), provides that personnel assigned to special projects that are reform-oriented and developmental, contribute to the improvement of service delivery and enhancement of the performance of the core functions of an agency, and have specific timeframes and deliveries for accomplishing objectives and milestones set by the agency for the year, shall be entitled to Honoraria. Such assignment entails the rendition of work in addition to, or over and above their regular work load.

Consequently, S & T Personnel have to perform the regular duties and responsibilities of their positions related to their agency's functions mandated under existing laws within the prescribed work hours. When assigned to special projects, the S & T Personnel concerned may have to exert extra effort to be able to perform both the regular work and the added work borne out of assignment to special projects.

4.1 Special Projects

For purposes of this JC, and in line with Section 44(e) of the General Provisions of R.A. No. 10352, and as may be reiterated in subsequent GAAs, special projects in an agency or among agencies may be composed of one or more components requiring an inter-disciplinary or multi-disciplinary approach, to be accomplished within a specific timeframe. Special projects may include:

- 4.1.1 High technology solutions in the event of national emergencies, national security threats, public safety threats, public health crises, and natural calamities;
- 4.1.2 Collaborative undertakings between or among agencies of the national/local government for the improvement of critical and priority public services;
- 4.1.3 Projects assigned on ad-hoc basis by the Office of the President, in view of the exigencies of the service;
- 4.1.4 Collaborative undertakings between DOST and the private sector; and,
- 4.1.5 Memberships in Technical Panels, Steering Committees, Councils and other Equivalent National Technical Advisory Bodies.

4.2 Designations

S & T Personnel may be assigned to designated positions in DOST special projects by virtue of office orders issued by the agency head.

The following hierarchy of responsibilities shall serve as guide in designating personnel to special projects and in determining rates of Honoraria:

- 4.2.1 Senior Project Manager or Senior Project Director – Plans, organizes, directs, and coordinates the activities of a big special project with at least 2 component sub-projects. This level of work is equated to that of a position at SG-28.
- 4.2.2 Project Manager or Project Director – Plans, organizes, directs, and coordinates the activities of a small special project or one component of a big special project. This level of work is equated to that of a position at SG-27.
- 4.2.3 Project Consultant – Provides special/advisory expertise, assistance, or services outside of agency capability. This level of work is equated to that of a position at SG-27.
- 4.2.4 Assistant Project Manager or Assistant Project Director – Assists in planning, organizing, directing, and coordinating the activities of a small special project or one component of a big special project. This level of work is equated to that of a position at SG-26.
- 4.2.5 Technical Staff Team Leader – Heads a group of technical staff assigned to a special project component; may devise own plans, and procedures, consistent with overall special project objectives. This level of work is equated to that of a position at SG-24.
- 4.2.6 Senior Technical Staff – Performs the difficult phases of professional, technical, or scientific work of a special project which may or may not be subject to technical review. This level of work is equated to that of a position at SG-19 or SG-18, as may be applicable.
- 4.2.7 Team Member/Technical Staff – Performs the simple phases of professional, technical, or scientific work of a special project which are subject to technical review. This level of work is equated to that of a position at SG-16 or SG-15, as may be applicable.
- 4.2.8 Senior Administrative Staff – Renders administrative and support services to a special project, including but not limited to personnel, financial, records, and supply management and other auxiliary services. This level of work is equated to that of a position at SG-10.
- 4.2.9 Administrative Staff – Provides technical support services in a special project, such as conduct of laboratory and other scientific procedures, calibration, operation, and maintenance of

laboratory/scientific equipment. This level of work is equated to that of a position at SG-8.

4.3 Honoraria Rates

As token payment for services rendered beyond the regular duties and responsibilities of their positions, Honoraria for Assignment in Special Projects may be granted.

4.3.1 The total Honoraria per personnel for a month shall be based on productivity and quality of completed and accepted deliverables for the set timeframe. Hence, a special project plan shall be prepared, in consultation with all personnel concerned, subject to approval by the agency head. Such plan shall contain the following details:

- 4.3.1.1 Outputs or deliverables per project component;
- 4.3.1.2 Project timetable;
- 4.3.1.3 Personnel assigned to the special project and their duties and responsibilities;
- 4.3.1.4 Expected deliverables per personnel; and
- 4.3.1.5 Estimated cost of monthly honoraria for each personnel based on work hours spent beyond the regular work hours, computed as follows:

$$\text{Estimated Honoraria} = \left[\frac{\text{Salary}}{\text{Month}} \right] \left[\frac{1 \text{ Month}}{22 \text{ Days}} \right] \left[\frac{1 \text{ Day}}{8 \text{ Hours}} \right] T \text{ hours}$$

Where:

Salary = Step 1 of the Salary Grade for the designated position

T = estimated numbers of work hours spent in the special project

4.3.2 The total Honoraria that may be paid from government funds for all special projects shall not exceed 25% of the employee's annual basic salary pursuant to Section 44(e) of R.A. No. 10352 and as may be reiterated in subsequent GAAs.

4.4 Department Secretaries, Department Undersecretaries, and Department Assistant Secretaries who are designated to positions in special projects are not entitled to receive Honoraria, as their additional assignments relate to their primary functions and are already paid for and covered by the compensation attached to their positions in the principal office. This is in line with the Supreme Court decision in Civil Liberties Union vs. Executive Secretary, 194 SCRA 317 (1991).

5.0 Honoraria for Lecturers, Resource Persons, Coordinators, and Facilitators

Although Section 7(a) of R.A. No. 8439 is not specific, the Implementing Rules and Regulations on R.A. No. 8429 allows the grant of Honoraria to S & T Personnel requested to organize, speak, lecture, or act as resource persons in seminars, workshops, conferences, symposia, trainings, and classroom sessions.

Section 44 (b) of the General Provisions of R.A. No. 10352, as may be reiterated in similar provisions in succeeding GAAs, allows the grant of Honoraria to those who act as lecturers, resource persons, coordinators, and facilitators in seminars, training programs, and other similar activities in training institutions, including those conducted by agencies for their officials and employees.

However, if the preparation for and conduct of seminars and training programs are part of the permanent duties and responsibilities of positions, then the incumbents thereof are not entitled to such Honoraria since they have been compensated through their salaries.

The policy guidelines under Budget Circular No. 2007-1 dated April 23, 2007 shall apply to the S & T Personnel concerned:

- 5.1 Honoraria shall not be granted to S & T Personnel who act as lecturers, resource persons, coordinators, and facilitators within their parent agencies since dissemination of information, clarifying issues and concerns, and interacting with clients and/or implementers of agency mandates are deemed part of the duties and responsibilities of their regular positions.
- 5.2 Agency heads have the flexibility to determine the rate of Honoraria for the duration of the engagement of a qualified lecturer, resource person, coordinator, or facilitator, within a range of minimum and maximum amounts computed in accordance with the following formula:

$$\begin{aligned} \text{Total Minimum Honoraria} &= (2) \left[\frac{\text{MSRmin}}{1 \text{ Month}} \right] \left[\frac{1 \text{ Month}}{22 \text{ Days}} \right] \left[\frac{1 \text{ Day}}{8 \text{ Hours}} \right] (2) (T \text{ Hours}) \\ &= (0.023) (\text{MSRmin}) (T) \end{aligned}$$

$$\begin{aligned} \text{Total Maximum Honoraria} &= (2) \left[\frac{\text{MSRmax}}{1 \text{ Month}} \right] \left[\frac{1 \text{ Month}}{22 \text{ Days}} \right] \left[\frac{1 \text{ Day}}{8 \text{ Hours}} \right] (2) (T \text{ Hours}) \\ &= (0.023) (\text{MSRmax}) (T) \end{aligned}$$

Where:

MSRmin = monthly salary rate of the lecturer, resource person, coordinator, or facilitator

MSRmax = monthly salary rate of a Professor VI, Step 1 of SG-29; to consider the difficulty and complexity of the subject matter, professional qualifications, and position levels of participants

T = number of actual lecture/training hours

First factor (2) = as recognition of expertise on the specialized subject, and excellent interpersonal and communication skills required to make quality and effective presentations

Second factor (2) = to consider hours of preparation for such engagement

6.0 Honoraria/Compensation for Consultancy Services Rendered to the Private Sector

Section 10 of R.A. No. 8439 allows S & T Personnel to render consultancy services to the private sector and to be entitled to Honoraria for such services.

Consultancy services refer to the technical and advisory services rendered by S & T Personnel outside of the parent agency. It may be in the form of local consultancy, rendered to Filipino-owned/controlled enterprises/entities based locally or abroad, or in the form of foreign consultancy, rendered to foreign-owned/controlled enterprises or institutions based locally or abroad.

6.1 Qualified S & T Personnel

The following S & T Personnel may be authorized to render local or foreign consultancy services:

6.1.1 Those who hold permanent appointments and possess the appropriate education, training, and relevant experience; have rendered a minimum of 2 years continuous service with very satisfactory performance ratings for the last 2 consecutive semestral rating periods in the parent agency; and without pending administrative or criminal cases; and

6.1.2 Contractual and casual personnel who meet all of the qualifications in item 6.1.1, on a selective basis as may be determined by the agency head.

6.2 Instances When Consultancy Services May Be Rendered to the Private Sector

Upon request of a third party expressing the need, urgency, and nature of the consultancy, the rendition of consultancy services to the private sector may be allowed if it redounds to:

6.2.1 The encouragement of active involvement of both the public and private sectors in technology development and utilization to increase productivity and quality of products;

6.2.2 The rendition of expertise, technical know-how and advice as well as the promotion and assistance of technological services;

6.2.3 The increase of awareness and appreciation of the usefulness of science and technology in everyday life;

6.2.4 The expansion and reinforcement of scientific and technical cooperation with other countries through technical assistance programs in identified priority areas;

- 6.2.5 The maximum utilization of the benefits of bilateral and multilateral linkages;
- 6.2.6 The encouragement of private sector to tap government-generated S & T Innovations; and
- 6.2.7 The increase of hands-on exposure and experience in addressing current S & T-related issues.

6.3 Conditions on the Rendition of Consultancy Services

Consultancy services to the private sector may be allowed provided the following conditions are observed:

- 6.3.1 The consultancy will not jeopardize or adversely affect the regular operations of the parent agency and the regular duties and responsibilities of an S & T Personnel;
- 6.3.2 The consultancy will not involve divulging Philippine trade, business, military/national security secrets, and Philippine cutting edge technologies especially to Philippine foreign competitors based locally or abroad;
- 6.3.3 If the consultancy will be rendered to a multi-national corporation, the latter should be one that does not directly compete with Philippine products, to safeguard the interest of local, micro, small and medium enterprises;
- 6.3.4 The consultancy services will be rendered to an institution where the S & T personnel has no direct oversight function or supervisory authority/influence on the decision or approval of projects, and where they are not responsible for the evaluation and screening of projects funded by grants from their respective agencies;
- 6.3.5 Whenever applicable, the corporation or institution where the S&T personnel will be detailed does not use rare, endemic and endangered species of animals and plants including micro organisms as raw materials in manufacturing their products; and
- 6.3.6 Whenever applicable, the corporation or institution has established policies/programs on environment protection.

6.4 Period of Consultancy Services

- 6.4.1 S&T personnel may render local consultancy services for a maximum total of 48 working days per year, on staggered or continuous basis, up to a maximum of 3 consultancies at any one time.
- 6.4.2 For foreign consultancy to be rendered locally, an S & T Personnel may render services for a maximum of 2 months per year, on staggered or continuous basis. In case of extension, S & T Personnel

must file a leave of absence, with or without pay, for a maximum of 10 months, subject to Civil Service laws, rules, and regulations.

6.4.3 For foreign consultancy to be rendered abroad, an S & T Personnel may render services for a maximum of 2 months per year, on staggered or continuous basis, while on leave of absence with or without pay. In case of extension, S & T Personnel must file a leave of absence, with or without pay, for a maximum of 10 months, subject to Civil Service laws, rules, and regulations.

6.5 Other Conditions

6.5.1 The rendition of consultancy services shall be governed by a tripartite contract among the private sector entity, the parent agency, and the S & T Personnel.

6.5.1.1 The contract shall indicate the duration, nature of consultancy services to be rendered, remuneration, other fringe benefits, and other relevant terms/conditions.

6.5.1.2 The contract shall fully disclose the use of the parent agency's scientific and technological innovations.

6.5.1.3 The contract shall not include any commitment of the resources of the parent agency; otherwise, the contract shall provide for the charging of specific fees for the use of agency resources.

6.6 Honoraria/Compensation for Consultancy Services

The Honoraria/Compensation for consultancy services rendered by S & T Personnel to the private sector shall be determined by the parties to the tripartite contract as provided in item 6.5.1 above.

6.7 Reportorial Requirements

6.7.1 The S & T Personnel concerned shall submit to the parent agency a monthly report on the consultancy services undertaken.

6.7.2 The private sector third party shall provide the parent agency a monthly report of performance of the S & T Personnel concerned.

6.7.3 The agency head shall submit a semi-annual report to the Department Secretary concerned.

7.0 Compensation for Secondment to the Private Sector

Section 11 of R.A. No. 8439 allows the secondment of S & T Personnel to the private sector whenever such services are required.

For purposes of this JC, secondment shall refer to the temporary movement of S & T Personnel holding professional, technical, and scientific positions from one

government agency to the private sector or international organization recognized by the Philippine Government.

7.1 Qualified S & T Personnel

The S & T Personnel who may be authorized for secondment should possess the following qualifications:

- 7.1.1 Holds a permanent appointment;
- 7.1.2 Has the appropriate education, training, and relevant experience;
- 7.1.3 Has at least 4 years of continuous and actual service in the parent agency;
- 7.1.4 With very satisfactory performance ratings for the last 2 consecutive semestral rating periods in the parent agency; and
- 7.1.5 Without pending administrative or criminal cases.

7.2 Instances When Secondment May Be Allowed

The instances cited in items 6.2.1 to 6.2.7 hereof shall apply in the secondment of S & T Personnel.

7.3 Period of Secondment

For secondment to a local or foreign private sector entity, an S & T Personnel may render services for a maximum of one (1) year while he/she is on leave without pay in the parent agency.

7.4 Other Conditions

- 7.4.1 The secondment shall be governed by a tripartite contract among the private sector entity, the parent agency, and the S & T Personnel. The contract shall indicate the duration, nature of services to be rendered, remuneration, other fringe benefits, and other relevant terms/conditions.
- 7.4.2 The secondment shall not affect the security of tenure nor result in loss of seniority rights.
- 7.4.3 After the secondment, an S& T Personnel must serve the parent agency for the following duration before another secondment may be authorized.

Period of Secondment	Required Service Period before Another Secondment
9 mos. to 1 year	4 years
6 mos. to less than 9 mos.	3 years
3 mos. to less than 6 mos.	2 years
Less than 3 mos.	1 year

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7.4.4 During the period of secondment, an S & T Personnel shall not be entitled to the salaries, allowances, benefits, including Magna Carta benefits under R.A. No. 8439, and incentives attached to the position in the parent agency, and accumulation of leave credits.

7.4.5 In line with Section 11 of R.A. No. 8439, the period of secondment shall be considered as part of government service for purposes of determining retirement benefits. The period of secondment immediately preceding resignation, however, shall not be counted as part of government service.

7.5 Compensation Due to Secondment

Heads of government agencies shall determine the reasonable compensation for the services to be rendered by an S & T Personnel, to be charged the receiving private entity or international organization, subject to the approval of the Department Secretary or equivalent official.

7.6 Responsibilities of the Parties Concerned

7.6.1 The S & T Personnel concerned shall submit to the agency head a monthly report on the activities and accomplishments;

7.6.2 The private sector third party shall:

7.6.2.1 Pay the salary and other benefits due the S & T personnel;

7.6.2.2 Provide all benefits under R.A. No. 8439 unless otherwise specified in the contract;

7.6.2.3 Grant leave privileges including monetization of leave credits earned by the seconded employee during the period of secondment;

7.6.2.4 Shoulder all mandatory contributions (e.g. GSIS, PAG-Ibig, ECC, Philhealth, etc.); and

7.6.2.5 Submit a monthly performance report of the S & T personnel to the parent agency.

7.6.3 The agency head shall submit a semi-annual report to the Secretary of the Department concerned.

8.0 Compensation for Membership in Governing Boards of NGAs Under the DOST and in Inter-Agency Committees Created by Law or Executive Issuance

Although Section 7(a) of R.A. No. 8439 is not specific, the Implementing Rules and Regulations on R.A. No. 8439 allows the grant of Honoraria to members of policy-making bodies composed of representatives from various government, private, and other institutions that provide policy direction in terms of program identification and priority setting, among others.

Such policy-making bodies refer to the sectoral planning councils and the governing boards of agencies under the DOST.

Per existing compensation policy, Honoraria shall be granted to the chair, vice-chair, and members of a governing board if so specified in the pertinent law. Otherwise, Per Diem per meeting shall be the appropriate compensation for the governing boards pursuant to items (4)(e) and (4)(g)(ii) of JR No. 4.

- 8.1 The rates of Per Diem per meeting shall remain the same as those for the Honoraria previously granted under item 3.3 of DOST Memorandum Circular No. 001 series of 2009⁴, and shall remain in force until amended by a Budget Circular to be issued to standardize Per Diem rates of governing boards of NGAs.
- 8.2 The chair, vice-chair, and members of governing boards from the public sector who are appointed by the President of the Philippines may be granted Per Diem per meeting actually attended at rates provided under sub-item 8.1 of this JC.
- 8.3 Department Secretaries, Department Undersecretaries, and Department Assistant Secretaries and other officials who are *ex-officio* chairs, vice-chairs, and members of governing boards are not entitled to Per Diem per meeting, in line with the Supreme Court ruling in G.R. No. 83896 and G.R. No. 83815, as consolidated, dated February 22, 1991. Such *ex-officio* positions are actually and in legal contemplation part of the principal office. They act in such capacities without further warrant or appointment.
- 8.4 The alternates/representatives of those under sub-item 8.2 are also not entitled to Per Diem per meeting in view of the Supreme Court rulings in G.R. No. 138489 dated November 29, 2001, and G.R. No. 147392 dated March 12, 2004, that such alternates/representatives should not have better rights than their principals.
- 8.5 The elective and/or appointive chair, vice-chair, and members from the private sector who are appointed by the President of the Philippines or by authorities as provided for by law, may be granted Per Diem per meeting actually attended at the rates under sub-item 8.1 of this JC.
- 8.5 Reimbursable Expenses

The *ex-officio*, appointive and elective chair, vice-chair, and members of governing boards may be reimbursed of actual and reasonable expenses necessary to attend board meetings, but only for the following items:

- 8.5.1 Transportation expenses in going to and from the place of meeting;
- 8.5.2 Travel expenses during official travel, subject to pertinent guidelines;

⁴ Chairman - P8,800 per meeting actually attended; Vice-Chairman/Member - P8,300 per meeting.
The Honoraria/Per Diem may be given for a maximum of two (2) meetings per month.

8.5.3 Communication expenses; and

8.5.4 Meals during meetings.

9.0 Hazard Allowance

Hazard Allowance is an additional compensation for performing hazardous duties and for enduring physical hardships in the course of performance of duties.

As a general compensation policy, and in line with Section 7(c) of R.A. No. 8439, S & T Personnel whose nature of duties and responsibilities, actual services, and location of work expose them to great danger, occupational risks, perils to life, and physical hardships, may be granted Hazard Allowance, but only during periods of actual exposure to hazards and hardships.

9.1 Hazard Allowance may be granted to S & T Personnel if they are at high risk or low risk to hazards as defined below.

9.1.1 High Risk to Hazards – S&T Personnel that are at high risk to hazards are those that have direct and unavoidable exposure in the following areas:

9.1.1.1 Work areas including laboratories and service workshops that pose risks or dangers to health and safety due to dangerous working conditions or environmental elements such as: contaminants; ionizing radiation; electromagnetic radiation, communicable and contagious diseases; combustible, explosive, reactive, corrosive, and toxic chemicals and biological substances; absence of adequate supply of safe and potable water; and operation of hazardous equipment;

9.1.1.2 Remote areas, depressed areas, and hardship posts characterized by difficult terrain, distance, inconvenience of travel due to bad roads and conditions of the terrain, isolation, inaccessibility, and extreme weather conditions;

9.1.1.3 Embattled or strife-torn areas which are sites of armed encounters between government troops and enemy forces and/or enemy-initiated attacks, raids, or ambushes, as may be declared by the Department of National Defense;

9.1.1.4 Work areas under state of calamity or emergency where there are: earthquake, tsunami, volcanic activity/eruption, lahar and pyroclastic flows, floods, landslides and other natural hazards; and,

9.1.1.5 Work areas that are considered natural danger zones.

9.1.2 Low Risk to Hazards – S & T Personnel that are at low risk to hazards are those exposed to less degree of occupational risks,

perils to life, or physical hardships such as: in work areas in prison camps, drug rehabilitation centers and mental health institutions; or in frequent interaction with employees working in the laboratory or highly hazardous areas.

- 9.2 The Hazard Allowance for a month shall be based on the degree of risk to hazards, as specified in sub-items 9.1.1 and 9.1.2 above, and the number of workdays of actual exposure over 22 workdays in a month, at rates not to exceed 30% of monthly basic salary. In case of exposure to both high risk and low risk to hazards, the Hazard Allowance for the month shall be based on only one risk level, whichever is more advantageous to the S & T Personnel.

Rates of Hazard Allowance

Level of Risk Actual Exposure	High Risk	Low Risk
15 or more days	30% of monthly basic salary	15% of monthly basic salary
8 to 14 days	23% of monthly basic salary	12% of monthly basic salary
Less than 8 days	15% of monthly basic salary	10% of monthly basic salary

- 9.3 For non-DOST personnel, Hazard Allowance shall be granted only to those certified by the DOST Secretary as entitled to this benefit.

10.0 Subsistence Allowance

Section 7(d) R.A. No. 8439 entitles S & T Personnel to Subsistence Allowance.

The following rationalized rules shall apply:

- 10.1 S & T personnel who are required to render services within the premises of offices, laboratories, field operations centers, research and development centers, and other S & T facilities, and to make their services available at any and all times may be entitled to Subsistence Allowance.

- 10.2 S & T Personnel under the following circumstances are not entitled to Subsistence Allowance:

10.2.1 When not required to make their services available at all times such that they can leave their work stations during break-times;

10.2.2 When on leave of absence, with or without pay;

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- 10.2.3 While on official travel and entitled to travel expenses under E.O. No. 298 and as amended; and
- 10.2.4 While attending trainings, seminars, workshops, and similar activities where meals are provided.
- 10.3 The Subsistence Allowance for an S & T Personnel shall be:
 - 10.3.1 P150 for each day (8 hours) of actual full time service; and
 - 10.3.2 P75 for each half-day (4 hours) of actual service.
- 10.4 For services of less than 4 hours, the employee shall not be entitled to Subsistence Allowance.

11.0 Laundry Allowance

Section 7(e) of R.A. No. 8439 provides that Laundry Allowance shall be granted to S & T Personnel.

The following rationalized rules shall apply:

- 11.1 S & T Personnel assigned in offices, laboratories, field operation centers, research and development centers, and other S & T facilities and who are required to wear personal protective clothing or uniforms at all times while working, in order to provide them the required degree of protection at work, while reassuring clients of their professionalism, competency, and identity, may be granted Laundry Allowance to defray the cost for washing and pressing the uniform/protective clothing.
- 11.2 An S & T Personnel who rendered actual service on all workdays in a month may be granted Laundry Allowance at P500 per month.
- 11.3 An S & T Personnel who rendered less than a month of actual service may be granted the Laundry Allowance for the month, LA, corresponding to the number of days of actual services rendered, D, computed by using the following formula:

$$LA = \left(\frac{P500}{1 \text{ month}} \right) \left(\frac{1 \text{ month}}{22 \text{ workdays}} \right) (D \text{ days of actual services rendered})$$

To simplify, LA = (22.727)(D)

12.0 Free Living Quarters or Quarters Allowance

- 12.1 In view of Section 7(f) of R.A. No. 8439, S & T Personnel on duty in laboratories, research and development centers, and other S & T facilities, shall be entitled to Free Living Quarters within government facilities where they are stationed, provided, that their residences are outside of the 50-kilometer radius from such government facilities.

- 12.2 Availment of Free Living Quarters shall be subject to the availability thereof, and shall include telephone, water, and electricity for basic needs.
- 12.3 In the absence of Free Living Quarters, each qualified S & T Personnel shall be granted Quarters Allowance at the prevailing rental rate in the locality, until Free Living Quarters are available.

13.0 Longevity Pay

Section 7(g) of R.A. No. 8439 provides that a monthly Longevity Pay equivalent to 5% of the current monthly basic salary shall be paid to S & T Personnel for every 5 years of continuous and meritorious services as determined by the Secretary of the Department.

To rationalize the grant of Longevity Pay, the following rules shall be observed:

- 13.1 To be entitled to the Longevity pay, the S & T Personnel who holds a position in the agency plantilla of regular positions shall have rendered at least satisfactory performance on all rating periods covered by the 5-year period, and has not been found guilty of any administrative or criminal case within said period.
- 13.2 The Longevity Pay already received by S & T Personnel as of the effectivity of this JC, pursuant to sub-section 9.2 of the Implementing Rules and Regulations of R.A. No. 8439, shall be continually received and not diminished. Any subsequent adjustment of Longevity Pay on or after the effectivity of this JC shall be based on the monthly basic salary of the employee as of every 5-year milestone prescribed herein.
- 13.3 An S & T Personnel hired on or after the effectivity of R.A. No. 8439 shall be granted the first Longevity Pay, LP₁, on the day after reaching the first 5 years as S & T Personnel, subject to sub-item 15.2 hereof. Subsequent adjustments in LP shall be granted every 5 years thereafter.
- 13.4 An S & T Personnel hired on or after the effectivity of this JC, and duly certified by DOST, may be granted LP after completion of 5 years of service as S & T Personnel, subject to the conditions set in sub-item 13.1 hereof.
- 13.5 The grant of Longevity Pay to an S & T Personnel on leave of absence with or without pay for more than 3 months shall be deferred corresponding to the period of leave of absence in order to complete the service and performance rating requirements.
- 13.6 An S & T Personnel previously granted Step Increment Due to Length of Service shall no longer be granted subsequent Step Increment Due to Length of Service in view of the prohibition in item (4)(d) of JR No 4. Likewise, an S & T Personnel hired on or after the effectivity of this JC shall not be granted Step Increment Due to Length of Service.
- 13.7 The first Longevity Pay, LP₁, shall be based on the monthly basic salary, S₁, as of the LP₁ effectivity, upon completion of the first 5 years of service as S & T Personnel. The second Longevity Pay, LP₂, shall be based on the

monthly basic salary, S_2 , as of the LP_2 effectivity and so on. The total Longevity Pay, LP_T , at any given time shall be the sum of LP_1 up to the latest Longevity Pay, LP_n . Thus,

$$LP_1 = (0.05)(S_1)$$

$$LP_2 = (0.05)(S_2)$$

$$LP_n = (0.05)(S_n)$$

$$LP_T = LP_1 + LP_2 + \dots + LP_n$$

13.8 The LP shall be a separate benefit **not** integrated into the basic salary.

14.0 Salary Increase for Retirement Benefit and Terminal Leave Benefit Purposes

14.1 Upon retirement, an S & T Personnel shall automatically be granted one (1) salary grade higher than his/her basic salary and retirement benefits shall be computed on the basis of the highest salary received, pursuant to Section 14 of R.A. No. 8439.

14.2 Consistent with the clarification on a similar issue expounded in the "*Primer on the GSIS Act of 1997 (RA 8291)*," the effectivity of the 1 salary grade increase "upon retirement" shall take effect on the last day of service of the retiring S & T Personnel. This will affect the computation of:

14.2.1 Retirement gratuity under R.A. No. 1616 which is based on the highest salary received (but with negligible effect on the computation of the retirement benefits under R.A. No. 660, Presidential Decree No. 1146, and R.A. No. 8291); and

14.2.2 Terminal Leave Benefit.

14.3 If the position of an S & T Personnel is covered by R.A. No. 6758, as amended, the 1 salary grade increase on his/her last day of service shall be based on the applicable salary schedule for the NGA or GOCC concerned. For example, if the salary of an S & T Personnel is at SG-18, Step 7, it shall be adjusted to SG-19, Step 7.

14.4 If the position of an S & T Personnel is not covered by R.A. No. 6758, as amended, the 1 salary/job grade increase on his/her last day of service prior to retirement shall be based on the salary schedule authorized for the agency.

15.0 General Conditions on the Grant of Magna Carta Benefits

15.1 The grant of compensation-related Magna Carta benefits to S & T Personnel shall be subject to availability of funds. In case of insufficiency or lack of funds, the benefits may be granted at lower rates which shall be applied uniformly or proportionately to all S & T Personnel concerned in an agency.

The agency head shall determine the priority benefits that can be supported by available funds.

- 15.2 S & T Personnel shall **not** be entitled to back Magna Carta benefits for prior years.
- 15.3 The prohibition on double compensation under Section 8, Article IX-B of the Philippine Constitution, and the prohibition against double benefits under Section 13 of R.A. No. 8439 shall be complied with.

16.0 Fund Sources

16.1 For NGAs including SUCs:

16.1.1 The amounts required for payment of Magna Carta benefits shall be charged to the respective agency appropriation/budgets. The augmentation thereof from any available savings of the agency concerned shall be subject to the approval by the DBM pursuant to Section 41 of R.A. No. 10352, and to similar general provisions in subsequent GAAs.

16.1.2 In succeeding years, the requirement for Magna Carta benefits of S & T Personnel in national government agencies concerned shall be provided for in the budget.

16.1.3 The Magna Carta benefits for contractual and casual personnel shall be charged against the respective agency lump sum appropriations from which their salaries or wages are drawn.

16.2 For GOCCs, the amounts required shall be charged against their respective corporate funds in the approved corporate operating budgets.

16.3 Any funding requirement for compensation-related Magna Carta benefits, borne out of working arrangements with the private sector, shall be charged against the funds of private sector entities involved in the agreements.

17.0 Responsibilities of Agency Heads

17.1 Agency Heads shall be held responsible for the proper implementation of the provisions of this JC.

17.2 They may issue such agency internal guidelines providing specific criteria and administrative procedures on the grant of each Magna Carta benefit as supplement to this JC.

17.3 They shall be held liable for any grant or payment of Magna Carta benefits not in accordance with the provisions of this JC without prejudice, however, to the refund of any undue payment received by the S & T Personnel concerned.

18.0 Cases for Resolution

Cases not covered by the provisions of this JC shall be referred to the DBM for resolution, in coordination with the DOST.

19.0 Repealing Clause

All existing provisions of circulars or issuances on the grant of compensation-related Magna Carta benefits to S & T Personnel that are inconsistent with the provisions of this JC are repealed or superseded accordingly.

20.0 Effectivity

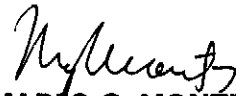
This Joint Circular shall take effect immediately.



FLORENCIO B. ABAD

Secretary

Department of Budget and Management




MARIO G. MONTEJO

Secretary

Department of Science and Technology

CERTIFIED TRUE COPY



7.3.13
ORLANDO M. MAGDARAOG
OIC, Records Division, AS
Dept. of Budget & Management

