

MEMORANDUM ORDER NO. 177

PRESCRIBING THE POLICIES AND GUIDELINES IN RATIONALIZING
THE COMPENSATION STRUCTURES IN CERTAIN GOVERNMENT-
OWNED AND/OR CONTROLLED CORPORATIONS

WHEREAS; there is a need to rationalize the compensation structure among government agencies and government-owned and/or controlled corporations;

WHEREAS; it is an adopted policy of the National Government to review on a continuing basis; compensation policies and levels of allowances and other fringe benefits applicable to government personnel; including honoraria or other forms of compensation;

NOW; THEREFORE; I; CORAZON C. AQUINO; President of the Philippines; by virtue of the powers vested in me by law; do hereby order:

SECTION 1. Coverage. - This Memorandum Order shall cover profit-making and financially viable government-owned or controlled corporations which are not receiving subsidies for any operating expenses from the National Government.

SECTION 2. Allowances of Incumbents. - Incumbents of positions in corporate entities covered by this Memorandum Order who are presently receiving additional monthly compensation/fringe benefits and other emoluments which were continuously enjoyed for a period of at least 12 months prior to the effectivity of this Order; including those authorized solely by their governing boards effected on or before December 31, 1987; the aggregate of which exceeds the standardized rates prescribed pursuant to existing compensation laws; rules; and regulations as administered by the Department of Budget and Management; shall continue to receive such excess allowance, which shall be referred to as "transition allowance". The "transition allowance" shall be correspondingly reduced by the amount of any salary increase or salary adjustment that the incumbent shall receive in the future.

The additional compensation; fringe benefits and other emoluments which may be considered as "transition allowance" under this Memorandum Order shall be limited to those which

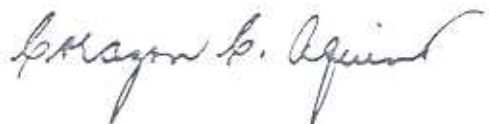
are of common or general application to all the personnel of the corporate entities covered under Section 1 hereof.

SECTION 3. Compliance with Legal Requirements. - All government-owned or controlled corporations are henceforth required to comply strictly with the laws, rules and regulations governing the grant of salary increases, allowances and other benefits to their officials and employees. The head of the corporation shall be held responsible for any unauthorized grant without prejudice to requiring the refund by the employees concerned.

SECTION 4. Implementing Rules and Regulations. - The implementing rules and regulations pursuant to this Memorandum Order shall be issued by the Department of Budget and Management.

SECTION 5. Effectivity. - This Memorandum Order shall take effect immediately.

Done in the City of Manila; this 31st day of May 1988.



By the President: ~



CATALINO MACARAIG, JR.
Executive Secretary