



Republika ng Pilipinas
KOMISYON NG SERBISYO SIBIL
(Civil Service Commission)
Lungsod ng Quezon

MC 24 S. 1992

MEMORANDUM CIRCULAR

T O : ALL HEADS OF DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT, STATE COLLEGES AND UNIVERSITIES INCLUDING GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS AND THEIR SUBSIDIARIES.

S U B J E C T : RULES IMPLEMENTING THE PROVISIONS OF REPUBLIC ACT NO. 7430, OTHERWISE KNOWN AS "AN ACT PROVIDING FOR OPTIMUM UTILIZATION OF PERSONNEL IN GOVERNMENT SERVICE THROUGH A SYSTEM OF ATTRITION, PROVIDING PENALTIES FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES."

Pursuant to its en banc Resolution No. 92-691 dated May 26, 1992, the Civil Service Commission has adopted and promulgated the attached Rules Implementing the Provisions of Republic Act No. 7430.

The Rules was published in the Philippine Daily Inquirer on June 1, 1992 and will take effect fifteen (15) days thereafter.

Heads of Departments and agencies are enjoined to strictly comply with the provisions of said Rules.

June 4, 1992.

Samilo N. Barlongay
SAMILO N. BARLONGAY
Acting Chairman

JJC/bsn



RULES IMPLEMENTING THE PROVISIONS OF REPUBLIC ACT NO. 7430

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RESOLUTION NO. 92-691

WHEREAS, the Civil Service Commission as the central personnel agency of the government is mandated under Section 3, Article IX-B of the Constitution to establish a career service and adopt measures to promote morale, efficiency, integrity, responsiveness, progressiveness and courtesy in the civil service;

WHEREAS, in line with the policy of the State to streamline the bureaucracy and improve the quality of government service, Republic Act No. 7430 entitled "An Act Providing for Optimum Utilization of Personnel in Government Service through a System of Attrition, Providing Penalties for Violation Thereof, and For Other Purposes" was enacted into law; and

WHEREAS, Section 6 of Republic Act No. 7430 vests upon the Commission the responsibility to prescribe and promulgate the rules and regulations for the effective implementation of said Act.

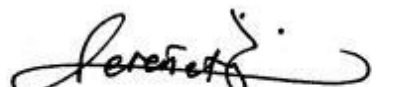
NOW THEREFORE, the Commission RESOLVED, as it hereby resolves, to adopt and promulgate the attached "Rules Implementing the Provisions of Republic Act No. 7430."

Quezon City, May 26, 1992 .

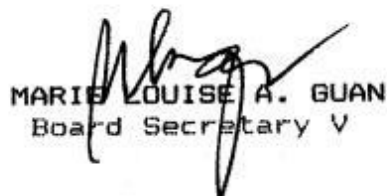
(O.L.)

PATRICIA A. STO. TOMAS
Chairman


SAMILO N. BARLONGAY
Commissioner


RAMON P. ERENETA, JR.
Commissioner

Attested by:


MARIE LOUISE A. GUAN
Board Secretary V

**RULES
IMPLEMENTING
THE PROVISIONS OF
REPUBLIC ACT NO. 7430**

OTHERWISE KNOWN AS

**"AN ACT PROVIDING FOR OPTIMUM UTILIZATION OF PERSONNEL
IN GOVERNMENT SERVICE THROUGH A SYSTEM OF ATTRITION,
PROVIDING PENALTIES FOR VIOLATION THEREOF, AND FOR
OTHER PENALTIES"**

RULES IMPLEMENTING THE PROVISIONS OF REPUBLIC ACT NO. 7430

PART I. POLICY AND APPLICATION

SECTION 1. *Title.* - These Rules shall be referred to as the "Rules Implementing the Provisions of Republic Act No. 7430," otherwise known as "An Act Providing for Optimum Utilization of Personnel in Government Service through a System of Attrition, Providing Penalties for Violation Thereof, and for Other Purposes."

SEC. 2. *Declaration of Policy.* - It is the policy of the State to give highest priority to measures that will promote morale, efficiency, integrity, responsiveness and progressiveness in the civil service. Towards this end, optimum utilization of personnel shall be assured through the institution of a system of attrition in government.

SEC. 3. *Coverage.* - These Rules shall apply to all employees of all branches, subdivisions, instrumentalities, and agencies of the Government, including government-owned or controlled corporations and their subsidiaries, except those exempted under Section 3 of Republic Act No. 7430.

PART II. PERSONNEL ATTRITION PROGRAM

SEC. 4. *Attrition and Exemptions.* - Upon the effectivity of these Rules, and for five years thereafter, no appointment shall be made to fill vacant positions in any government office resulting from resignation, retirement, dismissal, death or transfer to another agency of an officer or employee, except in the following instances:

- (a) Where the position is head of a primary organic unit such as chief of division;
- (b) Where the position is the lone position in the organizational unit and it corresponds to a particular expertise that is intrinsic to the desired basic capability of the unit concerned;
- (c) Where the positions are basic positions for the initial operations of newly created or activated agencies or, in the case of other agencies, where the positions are vital and necessary for the continued and efficient operation of said agencies;
- (d) Where the positions are difficult to fill considering the qualifications required therefor, as in the case of doctors, lawyers and other professionals;
- (e) Where the positions are found in agencies declared to be understaffed;
- (f) Positions in Congress or in the Judiciary;
- (g) Appointments or designations extended by the President;
- (h) Where the positions are found in local government units;

- (i) Teaching personnel; and
- (j) Where the replacements come from existing employees.

SEC. 5. Interpretation of Exemptions. - In the implementation of the exemptions covered in Section 4 of these Rules, the following interpretations are hereby adopted:

- (a) The term "primary organic unit" mentioned in Section 4(a) shall refer to the first organizational subdivision, but not lower than a division or equivalent unit, as appearing in the approved organizational chart and plantilla of personnel of an agency, office, bureau, service, department of a corporation, state college or university and regional unit and other equivalent agency or instrumentality.
- (b) The "lone position" mentioned in Section 4(b), shall refer to a position appearing in the approved organizational chart or plantilla of personnel which requires a particular expertise and involves the performance of a particular responsible and substantive function. The absence of such position will adversely affect the desired basic capability of the unit. It includes such positions as lone accountant, lone dentist, and lone computer programmer.
- (c) "Basic positions" mentioned in Section 4(c) shall refer only to those positions as appearing in the approved position allocation list which the newly created or activated agency has proposed to fill up during the initial stage of its operation with the concurrence of the Civil Service Commission.

The initial stage of operation shall be six (6) months, counted from the date the agency received a copy of the approved position allocation list. Positions which remain unfilled after six (6) months shall no longer be considered basic positions.

"Newly-created agencies" as mentioned in Section 4(c) shall refer to agencies established pursuant to law after the effectivity of these Rules. "Newly activated agencies" shall refer to fully dormant or inactive agencies which have been operationalized after the effectivity of these Rules.

- (d) Positions which are "vital and necessary" as mentioned in Section 4(c) shall refer to those positions the non-filling of which shall seriously disrupt or adversely affect the operations of said office or agency.
- (e) Positions which are "difficult to fill" as mentioned in Section 4(d) shall refer to those positions which cannot be easily filled because high level of qualifications and expertise are required but candidates do not want to accept due to the following reasons, among others:
 - (1) The compensation and other benefits provided for are neither attractive nor competitive with the private sector; or,
 - (2) The place of assignment is not attractive because it is a high-risk area or for some other similar reasons.

These are positions which normally exhibit high turnover of incumbents.

- (f) An agency may be considered "understaffed" as mentioned in Section 4(e) when its present personnel complement, can no longer achieve or sustain the efficient and effective delivery of services.
- (g) "Teaching personnel" as mentioned in Section 4(i) shall refer to teachers, instructors, professors, lecturers and others involved in actual teaching work in schools, colleges and universities.
- (h) "Existing employees" mentioned in Section 4(j) shall refer to all personnel in the career and non-career service who at the time of their appointment as "replacements" are still employed in the government except the following:
 - (1) Those in Congress;
 - (2) Those in Judiciary;
 - (3) Those in local government units;
 - (4) Those in the teaching force; and
 - (5) Contractual personnel in local and foreign funded projects hired after the effectivity of these Rules.

SEC. 6. *Grant of Authorization.* - The Civil Service Commission may grant authorization to fill up positions exempted under Section 4 (a), (b), (c), (d), (e) and (j) of these Rules upon written request of the head of agency or office and submission of appropriate documents to establish the actual existence of the ground or grounds for the grant of exemption. For positions under Section 4 (f); (g); (h) and (i) of these Rules prior authorization is no longer necessary.

SEC. 7. *Monitoring and Annual Reports.* - The Civil Service Commission as the central personnel agency of the government shall monitor and render annual report to the President and the Congress on the extent of compliance with the law.

The report shall include, among others, the following:

- (a) Total number of positions authorized in the agency's annual budget;
- (b) Total number of officers and employees at the end of the year;
- (c) Total number of officers and employees separated from the service during the year categorized as follows:
 - (1) Those who resigned;
 - (2) Those who retired;
 - (3) Those who were dismissed from the service;

- (4) Those who died; and
- (5) Those who transferred to another agency.
- (d) Total number of new personnel recruited during the year; and
- (e) Total number of vacancies at the end of the year.

PART III. PERSONNEL EFFECTIVENESS AUDIT

SEC. 8. *Personnel Effectiveness Audit.* The Commission shall conduct personnel effectiveness audit of all government agencies to determine optimum utilization of personnel in each department, bureau, agency or corporation.

SEC. 9. *Contents of Audit Report.* - The audit reports shall, among others, include information on whether the agency is overstaffed or understaffed and its minimum and maximum personnel requirements.

SEC. 10. *Agency Assistance and Compliance with Requirements.* All departments, bureaus, agencies and corporations shall extend full assistance to such audit, submit productivity reports and make available necessary documents and information pertaining to their optimum utilization of personnel.

SEC. 11. *Submission of Required Lists.* - The administrative officer of the agency shall submit to the Civil Service Commission every fifth day of each month a list of employees who resigned, retired, died, transferred to another office or who were dismissed. Such list shall contain, among others, the following information: name, date of birth, position, salary grade and other vital information which may be required by the Commission. He shall also submit to the Commission a list of vacant positions within thirty days (30) after the effectivity of these Rules and every end of June and December thereafter.

PART IV. WORK STUDY ON OPTIMUM UTILIZATION OF PERSONNEL IN GOVERNMENT THROUGH A SYSTEM OF ATTRITION

SEC. 12. *Work Study.* - The Commission shall also conduct and prepare a work study on optimum utilization of personnel in government through the system of attrition specified under Part II of these Rules.

SEC. 13. *Contents of Work Study.* - Such study shall contain, among others, the evaluation and effectiveness of the program during the five-year period of its enforcement and the feasibility of extending the same for another period.

SEC. 14. *Submission of Report.* - As required under Section 5 of Republic Act No. 7430, the Commission shall submit to the President and the Congress of the Philippines a report on the results of its audit activities and on the work study together with its recommendations.

PART V. FINAL PROVISIONS

SEC. 15. *Sanctions.* - Any appointing authority who makes an appointment in violation of the provisions of Republic Act No. 7430 shall, upon conviction, be punished by imprisonment of not less than three (3) months but not exceeding six (6) months or by a fine of not less than Three thousand pesos (P3,000) but not exceeding Five thousand pesos (P5,000), or both such imprisonment and fine, at the discretion of the court.

In addition, the appointing official shall be personally liable for the salary that would have accrued had the employment been lawful, and the disbursing official shall make payment to the employee of such amount from the salary of the appointing authority.

Furthermore, any violation of these Rules shall also be a ground for administrative disciplinary action.

SEC. 16. *Repealing Clause.* - All existing Civil Service rules and regulations, circulars and memoranda or parts thereof inconsistent with these Rules are hereby repealed or modified accordingly.

SEC. 17. *Effectivity.* - These Rules shall take effect fifteen (15) days after publication in a newspaper of general circulation.

APPROVED: May 26, 1992

(On Leave)
PATRICIA A. STO. TOMAS
Chairman


SAMILO N. BARLONGAY
Commissioner


RAMON P. ERENETA, JR.
Commissioner