Three-Salary Grade Limitation

* [Appointments & Personnel Records](http://thepinoycivilservant.com/category/civil-service-matters/appointments-personnel-records/)

*- December 15, 2014*

The three-salary grade limitation provided under Item 15 of CSC MC No. 3, s. 2001 or the Revised Policies on Merit Promotion Plan instructs that no government employee may be promoted or transferred to a position which is more than 3-salary grades from his original position. To be specific, such item reads as follows:

“An employee may be promoted or transferred to a position which is not more than three (3) salary, pay or job grades higher than the employee’s position *except in very meritorious cases*, such as if the vacant position is next-in-rank as identified in the System of Ranking Positions (SRP) approved by the head of agency, or the lone entrance position indicated in the agency staffing pattern.”

Nonetheless, the Civil Service Commission has identified the following exceptions from the 3-salary grade limitation:

1. For transfer, reemployment, reappointment, and reclassification, which are personnel actions that do not involve the issuance of an appointment;
2. Incumbents of non-career positions who are appointed to career service positions since the nature of such appointment is original. However, once promoted, appointment will already be covered by the prohibition;
3. The position is a lone or entrance position as indicated in the agency staffing pattern;
4. The position belongs to the dearth category, such as Medical Officer Specialist and Attorney positions;
5. The position is unique and/or highly specialized requiring specialized education, training or skills such as Actuarial and Airways Communicator positions;
6. The candidates passed through a deep selection process, taking into consideration the candidates’ superior qualifications in regard to:
   1. Educational achievements;
   2. Highly specialized trainings;
   3. Relevant work experience; and
   4. Consistent high performance rating/ranking
7. The vacant position belongs to the closed career system;
8. When the appointee is the lone applicant;
9. When the qualified next-in-rank employees waived their right over the vacant position in writing;
10. When the next-in-rank position, as identified in the agency System of Ranking Positions (SRP) is vacant;
11. When next-in-line is not qualified;
12. When the qualified next-in-rank did not apply; and
13. When protestant’s position is also more than 3-SG lower than the protested position

In addition, the Commission also issued **Decision No. 131083** dated **07 November 2013** *([Forsuelo, Kristine Jean E., In Re: Invalidated Appointment; Three-Salary Grade Limitation; Lack of Experience)](http://thepinoycivilservant.com/wp-content/uploads/2014/12/d131083forsuelo1.pdf)*clarifying that the three-salary grade limitation does not apply to appointments made pursuant to an approved rationalization plan under E.O. No. 366. The Commission emphasized that appointments issued in view of a rationalization are categorized as reemployment and not as promotion even if it involves an appointment to a higher position. To quote the Commission:

“A review of Executive Order No. 366 and Republic Act No. 6656 will show that no limitation as regards salary grade is imposed in the appointment of personnel pursuant to a valid reorganization of the agency.

Relevant to the instant case is Section 13 (c), Executive Order No. 366 and Section 4, Republic Act No. 6656, thus:

“1.   Executive Order No. 366 *“Section 13. Personnel Actions. The following guidelines on personnel actions shall be adopted:*

    xxx   “c. The order of of sepration and preference established under Sections 3 and 4 of RA 6656 (An Act to Protect the Security of Tenure of Civil Service Officers and Employees in the Implementation of Government Reorganization) shall be followed in identifying personnel within the smallest operating unit who would be retained in the mother agency in the event that the number of personnel exceeds the number of retained positions. xxx.”

“2. Republic Act No. 6656 *“Section 4. Officers and employees holding permanent appointments shall be given preference for appointment to the new positions in the approved staffing pattern comparable to their former position or in case there are not enough comparable positions, to positions next lower in rank.*

    “No new employees shall be taken in until all permanent officers and employees have been appointed, including temporary and casual employees have been appointed, including temporary and casual employees who possess the necessary qualification requirements, amoung which is the appropriate civil service eligibility, for permanent appointment to positions in the approved staffing pattern, in case there are still positions to be filled, unless such positions are policy-determining, primarily confidential or highly technical in nature.” (Underlining supplied)

It is evidently implied in the aforesaid law and executive issuance that permanent and even casual and temporary employees are to be given due preference in the appointment to newly-created positions in the approved staffing pattern of the agency. The appointments issued in view of a reorganization or rationalization are categorized as reemployment and not as promotion even if it involves an appointment to a higher position. It could also be deduced from the foregoing that the preference given by law necessitates the non-application of the policy on three (3) salary-grade limitation on promotion as enunciated in Item 15 of CSC MC No. 3, s. 2001…”