



MC No. 08, s. 2014

MEMORANDUM CIRCULAR

TO : ALL HEADS OF CONSTITUTIONAL BODIES; DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS WITH ORIGINAL CHARTERS; AND STATE UNIVERSITIES AND COLLEGES

SUBJECT : Policy on the Computation of Salaries of Employees on Leave Without Pay

Pursuant to CSC Resolution No. 1400454 dated March 21, 2014, the Commission adopts the following formula in the computation of salaries of employees who incur leave of absence without pay:

$$\text{SALARY} = \frac{\text{NO. OF DAYS PAID STATUS}}{22 \text{ DAYS}} \times \text{MONTHLY SALARY}$$

Where number of days paid status refers to 22 days less number of days without pay

This Memorandum Circular shall take effect fifteen (15) days after the publication of CSC Resolution No. 1400454 in a newspaper of general circulation.


FRANCISCO T. DUQUE III, MD, MSc
Chairman

MAY 05 2014

CSC Resolution No. 1400454 dated March 21, 2014 was published on April 16, 2014 in Manila Times
06 MAY 2014

In a R. A. C. E. to Serve: Responsive, Accessible, Courteous and Effective Public Service



POLICY GUIDELINES

**Re: Computation of Salary of an Employee
on Leave Without Pay**

X ----- X

Number: 1400454

Promulgated: 21 MAR 2014

RESOLUTION

WHEREAS, Section 12 (2), Chapter 3, Subtitle A, Title I, Book V of Executive Order No. 292 conferred on the Civil Service Commission the power and function to "prescribe, amend and enforce rules and regulations for carrying into effect the provisions of the Civil Service Law and other pertinent laws";

WHEREAS, it is the Commission's mandate to formulate rules and regulations on the entitlement to leave of absence of officers and employees in the civil service;

WHEREAS, the Commission, in Memorandum Circular No. 16 s. 1991 dated 26 April 1991 (CSC Policy on Leave of Absence Without Pay on a Day Immediately Preceding or Succeeding Saturday, Sunday or Holiday), adopted and promulgated the policy that when an employee, regardless of whether he/she has leave credits, is absent on a day immediately preceding a Saturday, Sunday or Holiday, he/she shall not be considered absent on said days;

WHEREAS, CSC MC No. 16, s. 1991 was further clarified in CSC Memorandum Circular No. 16-A, s. 1991 dated July 11, 1991 which provides that said policy shall be applicable only to intermittent or broken absences incurred by an employee but not to continuous or uninterrupted absences without pay for a longer period of time;

WHEREAS, in the case of Peralta vs. CSC, 212 SCRA 425 dated August 10, 1992, the Supreme Court ruled in favor of petitioner Maynard R. Peralta and declared that R.A. No. 2625 specifically provides that government employees are entitled to fifteen (15) days vacation leave of absence with full pay and fifteen (15) days sick leave with full pay, exclusive of Saturdays, Sundays and Holidays in both cases. Thus, the law speaks of the granting of a right and does not provide for a distinction between those who have accumulated leave credits and those who have exhausted their leave credits in order to enjoy such right.

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Further, government employees, whether they have accumulated leave credits, are not required by law to work on Saturdays, Sundays and Holidays and, thus, they cannot be declared absent on non-working days; consequently, they cannot and should not be deprived of their salary corresponding to said non-working days just because they were absent without pay on the day immediately prior to, or after said non-working days;

WHEREAS, the said Supreme Court decision did not distinguish between continuous absence and intermittent/broken absences;

WHEREAS, Section 56 of CSC Memorandum Circular No. 41 s. 1998, as amended by CSC Memorandum Circular No. 14, s. 1999 and CSC MC No. 24, s. 1999 provides for a formula for computing the salary of personnel on leave without pay, to wit:

"Sec. 56. Leave without pay. – All absences of an official or employee in excess of his accumulated vacation or sick leave credits earned shall be without pay. TO COMPUTE THE SALARY OF EMPLOYEES WHO INCUR LWOP IN A GIVEN MONTH, USE THE FOLLOWING FORMULA:

$$\text{SALARY} = \frac{\text{MONTHLY SALARY}}{\text{CALENDAR DAYS}} \times \frac{\text{NO. OF DAYS of LWOP}}{\text{MONTHLY SALARY}}$$

X X X

However, in case of continuous absence for over ten (10) working days, the divisor in the above formula shall be the actual number of working days instead of calendar days.

When an employee had already exhausted his sick leave credits, he can use his vacation leave credits but not vice versa."

WHEREAS, Section 33 of CSC MC No. 14, s. 1999, as amended by CSC MC No. 24, s. 1999, provides that *"When an employee, regardless of whether he has leave credits or not, is absent on a day immediately preceding or succeeding a Saturday, Sunday or holiday, whether such absence is continuous or not, he shall not be considered absent on said Saturdays, Sundays and Holidays and shall not be deducted leave credits."*

WHEREAS, both the Department of Budget and Management (DBM) and the Commission attest to the established policy that the salary schedules implementing R.A. No. 6758 or the *Act Prescribing a Revised Compensation and Position Classification System in the Government and for Other Purposes* are based on 22 work days per month, exclusive of Saturdays and Sundays. This factor (22 days) is also used in computing for the unexpired portion of the



Maternity Leave Benefit, the Terminal Leave Benefit, the Money Value of the monetized leave, and the hourly rate of an employee;

WHEREAS, there is an apparent discrepancy in the formula used in the computation of salaries of employees who incur Leave without Pay and the formula used in the computation of the unexpired portion of the Maternity Leave Benefit, Terminal Leave Benefit, Money Value of the Monetized Leave and the Hourly Rate of an employee;

WHEREAS, there is a need to harmonize the formula for the computation of salaries of employees who incur leave without pay with the other formulas used in the computation of the leave benefits of an employee;

WHEREFORE, the Commission **RESOLVED** as it hereby **RESOLVES** to prescribe the following amended formula in the computation of salaries of employees who incur Leave without Pay:

$$\text{SALARY} = \frac{\text{NO. OF DAYS PAID STATUS}}{22 \text{ DAYS}} \times \text{MONTHLY SALARY}$$

Where number of days paid status refers to 22 days less number of days on leave without pay

To illustrate, an employee with monthly salary of Php 38,373 and leave without pay of four (4) days will receive the following salary using the above formula:

$$\text{Salary} = \frac{22-4}{22} \times \text{Php } 38,373 = \text{Php } 31,396.09$$

RESOLVED FURTHER that this amendment shall take effect fifteen (15) days from the date of its publication.

All rules, regulations and issuance which are inconsistent herewith are hereby repealed, amended or modified accordingly.

Quezon City.


FRANCISCO T. DUQUE III
Chairman


ROBERT S. MARTINEZ
Commissioner


NIEVES L. OSORIO
Commissioner

Attested by:


DOLORES B. BONIFACIO
Director IV

Commission Secretariat and Liaison Office