



MC No. 18, s. 2016

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 Guidelines on the Three-Salary Grade Limitation on Promotion

Pursuant to CSC Resolution No. 1600732 dated July 7, 2016, the Commission approved the policy guidelines governing the three-salary grade limitation on promotion, as follows:

1. For consistency and uniformity, as a general rule, all appointments issued in violation of the Policy on the Three-Salary Grade Limitation on Promotion shall be disapproved/invalidated, except when the promotional appointment falls within the purview of any of the following exceptions:
 - a. The position occupied by the person is next-in-rank to the vacant position as identified in the Merit Selection Plan and the System of Ranking Positions (SRP) of the agency.
 - b. The vacant position is a lone or entrance position, as indicated in the agency staffing pattern.
 - c. The vacant position is hard to fill, such as Accountant, Medical Officer/Specialist, Attorney, or Information Technology Officer/Computer Programmer positions.
 - d. The vacant position is unique and/or highly specialized, such as Actuarial, Airways Communicator positions.
 - e. The candidates passed through a deep selection process, taking into consideration the candidates' superior qualifications in regard to:

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

- Educational achievements
 - Highly specialized trainings
 - Relevant work experience
 - Consistent high performance rating/ranking
- f. The vacant position belongs to the closed career system, i.e., those that are scientific, or highly technical in nature that include the faculty and academic staff of state colleges and universities, and the scientific and technical positions in scientific or research institutions, all of which establish and maintain their own merit systems.
- g. Other meritorious cases, such as:
- when the appointee is the lone applicant who meets all the requirements of the position and passed through the deep selection process
 - when the qualified next-in-rank employees waived their right over the vacant position in writing
 - when the next-in-rank position, as identified in the agency SRP is vacant
 - when the next-in-rank employee/s is/are not qualified
 - when the qualified next-in-rank employees did not apply
2. The policy on the three-salary grade limitation shall apply only to promotion within the agency. This prohibition shall not apply to the following human resource actions which involve issuance of an appointment:
- a. Transfer incidental to promotion provided that the appointee was subjected to deep selection
 - b. Reappointment involving promotion from non-career to career provided the appointee was subjected to deep selection
 - c. Reappointment from career to non-career position
 - d. Reemployment
 - e. Reclassification of position
3. In the selection process, agency heads are enjoined to strictly observe the above conditions to avoid disapproval or invalidation of promotional appointments.
4. In the evaluation of promotional appointments, the CSC Regional and Field Offices are enjoined to make a thorough evaluation of the manner and merit of the issuance of the appointment vis-à-vis the reasons or justifications of the appointing authority before taking any action on the appointments.

5. To facilitate review and evaluation of appointments, all agencies are required to submit their SRP to CSC Regional or Field Offices. The agency SRP shall be used as one of the bases for determining whether agencies observe the policy on the three-salary grade limitation on promotion as herein provided.

All other existing Civil Service Commission issuances which are inconsistent herewith are deemed repealed or amended.

This Memorandum Circular shall take effect fifteen (15) days after the publication of CSC Resolution No. 1600732 dated July 7, 2016 in a newspaper of general circulation.


ALICIA dela ROSA-BALA
Chairperson

23 AUG 2016

CSC Resolution No. 1600732 dated July 7, 2016 was published on August 5, 2016 in Philippine Star



**Policy Guidelines on the Three-Salary
Grade Limitation on Promotion**

X-----X

Number: 1600732

Promulgated: 07 JUL 2016

RESOLUTION

WHEREAS, Section 2 (2), Article IX B of the 1987 Constitution provides that the State shall ensure and promote the Constitutional mandate that appointments in the civil service shall be made only according to merit and fitness;

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

WHEREAS, Section 32, Chapter 5, Subtitle A, Title I, Book V of Executive Order No. 292 mandates government agencies to establish a Merit Promotion Plan which stipulates their systems and procedures in the selection and promotion of employees and officials;

WHEREAS, the Commission, as the central personnel agency of the government, has issued CSC MC No. 3, s. 2001 revising the policies on Merit Promotion Plan;

WHEREAS, Policy No. 15 of CSC MC No. 3 provides that an employee may be promoted to a position which is not more than three (3) salary, pay or job grades higher than the employee's present 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 or entrance position indicated in the agency staffing pattern;

WHEREAS, in the implementation thereof, CSC Office Memorandum No. 6, s. 2005 was issued advising CSC Regional and Field Offices on the application of the policy on the 3-salary grade limitation on promotion;

WHEREAS, the objectives of the policy on 3-salary grade limitation on promotion are to: (a) limit the situation wherein favored employees may be promoted to a very high position in the organization to the disadvantage of qualified employees; and (b) prevent the situation wherein the selection of candidates for promotion is limited to employees within the organizational unit or agency; thereby preventing the infusion of fresh, young blood into the government service;

WHEREAS, a number of disapproved/invalidated appointments appealed to the Commission are due to violation of the 3-salary grade limitation on promotion;

WHEREAS, the said policy has been the subject of inquiries from agencies emanating from the various actions of CSC Regional and Field Offices on appointments involving promotion of employees to positions which are more than three salary grades higher than their present positions;

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

WHEREFORE, to put the policy in its proper perspective, the Commission **RESOLVES** to approve the policy guidelines governing the three salary grade limitation on promotion, as follows:

1. For consistency and uniformity, as a general rule, all appointments issued in violation of the Policy on the Three-Salary Grade Limitation on Promotion shall be disapproved/invalidated, except when the promotional appointment falls within the purview of any of the following exceptions:
 - a. The position occupied by the person is next-in-rank to the vacant position as identified in the Merit Selection Plan and the System of Ranking Positions (SRP) of the agency.
 - b. The vacant position is a lone or entrance position, as indicated in the agency staffing pattern.
 - c. The vacant position is hard to fill¹, such as Accountant, Medical Officer/Specialist, Attorney, or Information Technology Officer/Computer Programmer positions.
 - d. The vacant position is unique and/or highly specialized², such as Actuarial, Airways Communicator positions.
 - e. The candidates passed through a deep selection process, taking into consideration the candidates' superior qualifications in regard to:
 - Educational achievements
 - Highly specialized trainings
 - Relevant work experience
 - Consistent high performance rating/ranking
 - f. The vacant position belongs to the closed career system, i.e., those that are scientific, or highly technical in nature that include the faculty and academic staff of state colleges and universities, and the scientific and technical positions in scientific or research institutions, all of which establish and maintain their own merit systems;
 - g. Other meritorious cases, such as:
 - when the appointee is the lone applicant who meets all the requirements of the position and passed through the deep selection process
 - when the qualified next-in-rank employees waived their right over the vacant position in writing

¹ Hard to fill position for reasons of: 1) lack of skills of applicants; 2) inadequate experience; 3) applicants' expectation of high salary; 4) lack of professional license; 5) competition with private sectors and overseas jobs. (Occupational Shortages and Surpluses, 2013-2014 Integrated Survey on Labor and Employment, Philippine Statistics Authority, LABSTAT Updates, March 2016)

² Highly specialized positions are those with highly specialized and unique duties requiring specialized education, training and skills which may not be acquired through formal education, training programs or experience gained from service-wide positions. (CSC MC No. 12, s. 2003)



- when the next-in-rank position, as identified in the agency SRP is vacant
 - when the next-in-rank employee/s is/are not qualified
 - when the qualified next-in-rank employees did not apply
2. The policy on the three-salary grade limitation shall apply only to promotion within the agency. This prohibition shall not apply to the following human resource actions which involve issuance of an appointment:
 - a. Transfer incidental to promotion provided that the appointee was subjected to deep selection
 - b. Reappointment involving promotion from non-career to career provided the appointee was subjected to deep selection
 - c. Reappointment from career to non-career position
 - d. Reemployment
 - e. Reclassification of position
 3. In the selection process, agency heads are enjoined to strictly observe the above conditions to avoid disapproval or invalidation of promotional appointments.
 4. In the evaluation of promotional appointments, the CSC Regional and Field Offices are enjoined to make a thorough evaluation of the manner and merit of the issuance of the appointment vis-à-vis the reasons or justifications of the appointing authority before taking any action on the appointments.
 5. To facilitate review and evaluation of appointments, all agencies are required to submit their SRP to CSC Regional or Field Offices. The agency SRP shall be used as one of the bases for determining whether agencies observe the policy on the three-salary grade limitation on promotion as herein provided.

This Resolution shall take effect fifteen (15) days after date of publication.

Quezon City.


ALICIA dela ROSA-BALA
 Chairperson


ROBERT S. MARTINEZ
 Commissioner

VACANT
 Commissioner

Attested by:


DOLORES B. BONIFACIO
 Director IV

Commission Secretariat and Liaison Office