

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

January 12, 2005

REVENUE MEMORANDUM CIRCULAR NO. 2 - 2005

SUBJECT : Publishing the full text of CSC-DBM JOINT CIRCULAR NO. 03, s. 2004 by the Chairperson of Civil Service Commission and Secretary of Department of Budget and Management dated December 14, 2004, entitled Continued Adoption of Austerity Measures Through the Non-Filling of Vacant Positions.

TO : All Internal Revenue Officers, Employees and Others Concerned

For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder is the full text of CSC-DBM Joint Circular No. 03 by the Chairperson of Civil Service Commission and Secretary of Department of Budget and Management dated December 14, 2004 entitled Continued Adoption of Austerity Measures through the Non-Filling of Vacant Positions:

“Republic of the Philippines

**CIVIL SERVICE COMMISSION
DEPARTMENT OF BUDGET AND MANAGEMENT
JOINT CIRCULAR NO. 03 , s. 2004**

TO : Heads of Departments, Bureaus, Offices and Agencies, Including State Universities and Colleges (SUCs), Government-Owned and/or-Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), and Other Government Corporate Entities (OGCEs)

SUBJECT : Continued Adoption of Austerity Measures Through the Non-Filling of Vacant Positions

1.0 Purpose

This Circular is issued to provide the guidelines on the implementation of Section 2 of Administrative Order No. 103 (Directing the Continued Adoption of Austerity Measures in the Government) issued on August 31, 2004.

2.0 Coverage

All regular positions in national government agencies, including SUCs, GOCCs, GFIs, OGCEs and other instrumentalities under the Executive Branch, whether or not funded through the General Appropriations Act, are covered by this Circular.

3.0 Policy Guidelines

3.1 As a general rule, the filling of positions which have been vacated by resignation, retirement, dismissal, death, or transfer to another government office is prohibited.

3.2 The following positions are exempted from said prohibition, provided they are funded within agency budgets for personal services:

3.2.1 Teaching positions in schools under the Department of Education, Commission on Higher Education, Technical Education and Skills Development Authority, SUCs and training institutions under the departments/agencies;

3.2.2 Medical and allied medical positions in hospitals, sanitaria health infirmaries and other similar establishments excluding those assigned in the clinics of departments/agencies catering only to their employees;

3.2.3 Positions for uniformed/military personnel under the Department of National Defense, Department of the Interior and Local Government and the Philippine Coast Guard; and

3.2.4 Positions in local water districts (LWDs) provided these are in accordance with the DBM-prescribed model organizational structure and staffing pattern for LWDs.

3.3 Fifty percent (50%) of the Personal Services savings realized from funded vacant/vacated regular positions may be used for any of the following purposes:

3.3.1 For filling positions without seeking authority

The agency head shall have the discretion as to which positions will be filled provided the total cost thereof shall not exceed 50% of the Personal Services savings.

3.3.2 For reclassification of filled positions or for conversion of vacant/vacated positions if necessary, by following the “scrap and build” policy, subject to approval by the DBM

Only funded vacant/vacated positions shall be offered for abolition to fund the positions for reclassification/conversion.

4.0 Responsibilities of Agency Heads

- 4.1 The agency heads shall be held responsible and personally liable for any filling of vacant positions in violation of this Circular.
- 4.2 At the end of the year, the agency heads shall submit an annual report to the DBM, copy furnished the CSC, on the extent of compliance with the Circular, following the format attached as Annexes A and B.

5.0 Effectivity of Implementation

This Circular shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

(SGD) KARINA CONSTANTINO-DAVID
Chairperson
Civil Service Commission

(SGD) EMILIA T. BONCODIN
Secretary
Department of Budget and Management

14 December 2004”

All revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
NORMA L. LIPANA
Officer-In-Charge
Resource Management Group