



Republic of the Philippines
National Electrification Administration
Quezon City

12 May 2008

MEMORANDUM No. 2008-009

Series of 2008

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : REVISED SALARY SCALE FOR ELECTRIC
COOPERATIVE EMPLOYEES

I. PURPOSE

To upgrade the Salary Scale of Employees of Electric Cooperatives in order to provide them with a competitive package for their services to keep them abreast with the prevailing compensation level in the industry, and help ECs maintain a high level of responsibility and accountability.

The prevailing poverty threshold level as determined by the country's economic managers which, in part account for the minimum wages adopted by the Regional Wage Boards, plus three more prospective wage orders were considered as indices in the preparation of this package. Hence, this new issuance will bring about an upgraded pay scale for a majority of employees, particularly of ECs that meet the pre-requisites.

The promulgation of this memorandum shall provide any organization, government or private, and interested groups with an overall appreciation and mechanisms on how ECs determine their compensation scale. This is part as well that ensures full transparency of EC operations to the general public.

II. POLICY

It shall be the policy of this Office to establish a salary guide for EC Employees which shall serve as a basis in providing just and equitable wages according to the cooperatives' classification and financial standing. In no case, however, shall the salaries of employees be lower than the minimum wage/salary provided by the Labor Code and/or set by the Department of Labor and Employment (DOLE) Regional Wage Boards.

III. MECHANICS OF IMPLEMENTATION

1. Upon recommendation of management and after proper deliberation, the Board of Directors shall adopt through a Board Resolution, a revised salary scale using the prescribed salary guide.
2. The Board Resolution together with the Plantilla of Personnel containing the existing and proposed salaries and a three-year projected cash flow shall be submitted to this Office for review and evaluation as to the EC's financial capability to implement and sustain the salary adjustments. The same should be submitted by the first semester of the year in compliance with NEA Memorandum No. 2006-023 dated 27 July 2006 "Submission on Required Documents That Need Explicit Approval."
3. Should the proposal merit a favorable endorsement, the Institutional Development Department, shall forward the recommendation to the Deputy Administrator for Electric Distribution Utilities who shall be endorse the same to the Administrator. The final action and/or approval shall be subsequently communicated to the concerned EC, a copy shall also be available at the NEA Financial Planning and Control Division, Finance Department. Expect NEA's action, upon EC's full compliance of requirements, within the second semester of the same year the proposal had been submitted.
4. If a new wage order results in a monthly basic rate that is higher than what is set for employees holding rank one (1) positions in the adopted and approved salary scale for EC employees, the EC management is mandated to automatically incorporate the difference as mandated in the Wage Orders using the Retail/Service Group category. However, if after adoption and explicit approval by the NEA of the salary scale, and the latest issuance of a Regional Wage Order would not affect the salaries and employees at Rank one (1) and that management would still want to incorporate the Wage Order, the NEA should be informed accordingly.
5. This new salary guide shall not be construed, in any way whatsoever, as a mandated benefit/compensation that the employees shall automatically be entitled to on top of any approved salary increases provided in the Collective Bargaining Agreement, as this may impair the financial viability of the EC.
6. To avert the possible distortion of salaries, the EC management is enjoined to maintain the NEA approved job ranks.

7. In the event that an EC intends to follow a modified salary scale, the same should be submitted to NEA for final approval.

IV. GENERAL PROVISIONS

1. Adoption of a salary scale shall be suspended/deferred in the following cases:
 - a. if the coop posted a cumulative net loss on its past six (6) consecutive months of operations ending the month preceding the evaluation;
 - b. if the coop's performance based on the **Key Performance Indicators** shows a marked downtrend from the previous year's figures; and
 - c. if the coop retrogresses in its categorization as of evaluation date.
2. Upgrading of salary scale of employees shall be consequential to increased revenue or improved operations; and in no case must the EC increase its power rates to accommodate the additional cash outlay.
3. A revised Salary Scale resulting from salary upgrading, is subject to NEA explicit approval since salaries of employees do not form part of the liberalized cash operating budget.
4. After the new scale has been approved by NEA, the EC management can implement yearly salary step increases, based on merit in order to reward employees who exceeded their targeted performance plans.
5. Salary increases based on merit and utilizing the step increments in the approved salary scale do not need any NEA approval but have to be submitted to the NEA Finance Department for budgetary purposes.
6. Since across-the-board salary increase has been found to be counter-productive, the same cannot be allowed.

V. **AMENDATORY CLAUSE**

This supersedes Memorandum on the Revised Salary Guide for Electric Cooperative Employees dated 11 September 2003.

VI. **EFFECTIVITY**

These guidelines shall take effect fifteen (15) days upon submission of copies to the University of the Philippines Law Center as required by Executive Order 292.

Edita S. Bueno

EDITA S. BUENO

Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, PLEASE REFER TO NEA-0A012376



NEA-0A012376

gl
5/21/08

SALARY GUIDE FOR ELECTRIC COOPERATIVE EMPLOYEES

I. MEGA LARGE COOPERATIVES

RANK	BASE SALARY	INCREMENT BETWEEN RANKS	INCREMENT BETWEEN STEPS
20	32,000 - 35,000	2,157 - 2,512	973 - 1,078
19	29,843 - 32,488	2,011 - 2,332	908 - 1,001
18	27,832 - 30,156	1,876 - 2,165	847 - 929
17	25,956 - 27,991	1,749 - 2,009	790 - 862
16	24,207 - 25,982	1,631 - 1,865	736 - 800
15	22,576 - 24,117	1,521 - 1,731	687 - 743
14	21,054 - 22,386	1,419 - 1,607	640 - 689
13	19,635 - 20,779	1,323 - 1,492	597 - 640
12	18,312 - 19,287	1,234 - 1,384	557 - 594
11	17,078 - 17,903	1,151 - 1,285	520 - 551
10	15,927 - 16,618	1,073 - 1,193	484 - 512
9	14,854 - 15,425	1,001 - 1,107	452 - 475
8	13,853 - 14,318	934 - 1,028	421 - 441
7	12,919 - 13,290	871 - 954	393 - 409
6	12,048 - 12,336	812 - 885	367 - 380
5	11,236 - 11,450	757 - 822	342 - 353
4	10,479 - 10,628	706 - 763	319 - 327
3	9,773 - 9,865	659 - 708	297 - 304
2	9,114 - 9,157	614 - 657	277 - 282
1	8,500		259 - 262

II. EXTRA LARGE COOPERATIVES

RANK	BASE SALARY	INCREMENT BETWEEN RANKS	INCREMENT BETWEEN STEPS
20	28,000 - 30,000	1,787 - 2,016	843 - 912
19	26,213 - 27,984	1,673 - 1,881	789 - 851
18	24,541 - 26,103	1,566 - 1,754	739 - 794
17	22,975 - 24,349	1,466 - 1,636	692 - 740
16	21,509 - 22,713	1,372 - 1,526	648 - 691
15	20,136 - 21,187	1,285 - 1,424	606 - 644
14	18,852 - 19,763	1,203 - 1,328	568 - 601
13	17,649 - 18,435	1,126 - 1,239	531 - 560
12	16,523 - 17,196	1,054 - 1,156	498 - 523
11	15,468 - 16,040	987 - 1,078	466 - 488
10	14,481 - 14,962	924 - 1,005	436 - 455
9	13,557 - 13,957	865 - 938	408 - 424
8	12,692 - 13,019	810 - 875	382 - 396
7	11,882 - 12,144	758 - 816	358 - 369
6	11,124 - 11,328	710 - 761	335 - 344
5	10,414 - 10,567	665 - 710	314 - 321
4	9,750 - 9,857	622 - 662	294 - 300
3	9,128 - 9,194	582 - 618	275 - 280
2	8,545 - 8,576	545 - 576	257 - 261
1	8,000		241 - 243

I. LARGE COOPERATIVES

RANK	BASE SALARY	INCREMENT BETWEEN RANKS	INCREMENT BETWEEN STEPS
20	24,000 - 26,000	1,425 - 1,564	714 - 775
19	22,575 - 24,436	1,341 - 1,470	671 - 728
18	21,234 - 22,966	1,261 - 1,381	631 - 684
17	19,973 - 21,585	1,186 - 1,298	594 - 643
16	18,787 - 20,287	1,116 - 1,220	559 - 605
15	17,672 - 19,066	1,049 - 1,147	525 - 568
14	16,622 - 17,920	987 - 1,078	494 - 534
13	15,635 - 16,842	928 - 1,013	465 - 502
12	14,707 - 15,829	873 - 952	437 - 472
11	13,833 - 14,877	821 - 895	411 - 443
10	13,012 - 13,982	773 - 841	387 - 417
9	12,239 - 13,141	727 - 790	364 - 392
8	11,512 - 12,350	684 - 743	342 - 368
7	10,829 - 11,607	643 - 698	322 - 346
6	10,186 - 10,909	605 - 656	303 - 325
5	9,581 - 10,253	569 - 617	285 - 306
4	9,012 - 9,636	535 - 580	268 - 287
3	8,477 - 9,057	503 - 545	252 - 270
2	7,973 - 8,512	473 - 512	237 - 254
1	7,500 - 8,000		223 - 238

II. MEDIUM COOPERATIVES

RANK	BASE SALARY	INCREMENT BETWEEN RANKS	INCREMENT BETWEEN STEPS
20	20,000 - 22,000	1,075 - 1,211	585 - 646
19	18,925 - 20,789	1,017 - 1,145	554 - 611
18	17,908 - 19,644	963 - 1,082	524 - 577
17	16,945 - 18,562	911 - 1,022	496 - 545
16	16,034 - 17,540	862 - 966	469 - 515
15	15,172 - 16,574	816 - 913	444 - 487
14	14,357 - 15,662	772 - 862	420 - 460
13	13,585 - 14,799	730 - 815	398 - 435
12	12,855 - 13,894	691 - 770	376 - 411
11	12,164 - 13,214	654 - 728	356 - 388
10	11,510 - 12,487	619 - 688	337 - 367
9	10,891 - 11,799	585 - 650	319 - 347
8	10,306 - 11,149	554 - 614	302 - 327
7	9,752 - 10,535	524 - 580	285 - 309
6	9,227 - 9,955	496 - 548	270 - 292
5	8,731 - 9,407	469 - 518	255 - 276
4	8,262 - 8,889	444 - 489	242 - 261
3	7,818 - 8,400	420 - 463	229 - 247
2	7,398 - 7,937	398 - 437	216 - 233
1	7,000 - 7,500		205 - 220

II. SMALL COOPERATIVES

RANK	BASE SALARY	INCREMENT BETWEEN RANKS	INCREMENT BETWEEN STEPS
20	15,000 - 18,000	646 - 873	426 - 519
19	14,354 - 17,127	618 - 831	407 - 494
18	13,736 - 16,297	591 - 790	390 - 470
17	13,145 - 15,506	566 - 752	373 - 447
16	12,579 - 14,754	542 - 715	357 - 425
15	12,037 - 14,039	518 - 681	342 - 405
14	11,519 - 13,358	496 - 648	327 - 385
13	11,023 - 12,710	475 - 616	313 - 366
12	10,548 - 12,094	454 - 586	299 - 349
11	10,094 - 11,507	435 - 558	286 - 332
10	9,659 - 10,949	416 - 531	274 - 316
9	9,243 - 10,418	398 - 531	262 - 300
8	8,845 - 9,913	381 - 481	251 - 286
7	8,464 - 9,433	364 - 457	240 - 272
6	8,100 - 8,975	349 - 435	230 - 259
5	7,751 - 8,540	334 - 414	220 - 246
4	7,417 - 8,126	319 - 394	210 - 234
3	7,098 - 7,732	306 - 375	201 - 223
2	6,792 - 7,357	292 - 357	193 - 212
1	6,500 - 7,000		184 - 202