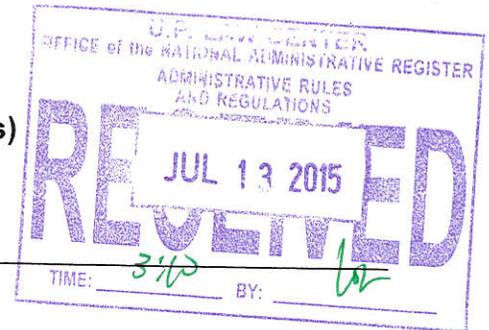




June 24, 2015

**MEMORANDUM No. 2015-020**

TO : ALL ELECTRIC COOPERATIVES (ECs)  
SUBJECT : New Salary Scale for EC Employees



**I. RATIONALE**

The need to upgrade the Salary Scale of electric cooperative (EC) employees is strongly recognized considering the various challenges, compliances and developments in the power industry together with the demand for better service by consumers that they were confronted with and which the ECs dutifully and successfully hurdled. Further, the existing policy on the employees salary scale was approved seven years ago, in May 2008.

With the new salary scale, EC employees shall be kept abreast with the compensation level in the industry, help them contend with the increasing cost of living and help the ECs maintain a high level of responsibility and accountability.

**II. POLICY**

It shall be the policy of this Office to establish a salary guide for EC employees which shall serve as basis in providing just and equitable wages corresponding to the cooperative's classification and financial standing. In no case shall salaries of EC employees be lower than the minimum wage/salary provided by the National/Regional Wages and Productivity Board (NWPB). However, EC employees shall no longer avail of any salary increase/s provided by NWPB unless their salaries are below the minimum wage.

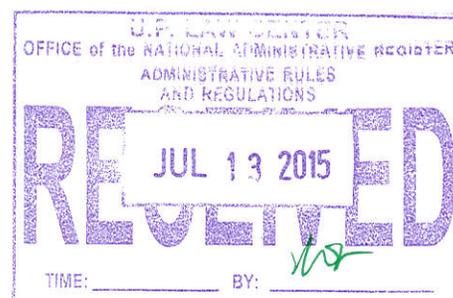
**III. MECHANICS OF IMPLEMENTATION**

1. EC shall submit a Board Resolution requesting for salary upgrading to NEA through the Institutional Development Department for processing;
2. An Evaluation Committee composed of staff from Finance Services, Accounts Management and Guarantee and Electric Cooperatives Audit Departments and Management Assistance Group shall assess the overall operations of the ECs based on Key Performance Standards (KPS) to determine the sustainability of the salary upgrading;
3. The concerned Deputy Administrator shall endorse the result of the evaluation to the Administrator for approval;

4. The new salary scale is not a mandated benefit/compensation that the employees shall automatically be entitled over and above any approved salary increases provided in the Collective Bargaining Agreement (CBA), as it may impair the financial viability of the EC. Further, all negotiations on salary upgrading shall comply with the requirements under NEA Memorandum No. 2014-003, "Collective Negotiation/Bargaining Agreement";
5. Salary increases mandated by Regional Wage Orders shall only apply to minimum wage earners hence, should not form part of the salary increase;
6. To avert possible distortion of salaries, the EC Management is enjoined to maintain the NEA – approved salary scale; and
7. Implementation of an EC-modified salary scale, shall require NEA approval.

#### IV. GENERAL PROVISIONS

1. An EC shall be eligible to implement the new salary scale if it posted financial stability on its operation for the past three (3) consecutive years and a positive projection in the next three (3) years with the following indicators:
  - a) Net Margin - Positive
  - b) Collection Efficiency - 95% and above
  - c) DSM Revenue - Sufficient to cover non-power cost
  - d) Cash General Fund - At least 1 month Working Capital (power and non-power costs)
  - e) Current in NEA loans and other creditors
  - f) Current in payment to power supplier/s, transmission and VAT
  - g) Compliant with the required Security Deposit to power supplier/s
  - h) Sufficient Sinking Fund for Retirement based on actuarial study
2. In case an EC does not meet the financial requirements for the immediate implementation of the salary increase, a Transition Plan shall be prepared. It shall reflect the specific date/period when sufficient funding is available based on historical data (3 years) and projections (3 years) on load growth and sales, among others.
3. Upgrading of salary shall be consequential to increased revenue operations, and in no case must the EC increase its power rates to accommodate the additional cash outlay.
4. All requests for a revised Salary Scale is subject to NEA's explicit approval since salaries of employees do not form part of the liberalized cash operating budget.
5. After the Salary Scale had been approved by NEA, Management can implement salary step increases, based on merit in order to reward employees who exceeded their targeted performance plans. A personnel policy shall be formulated to tackle merit increases where step increments shall be implemented once every two (2) years.



6. Across-the-board salary increase has been found to be counterproductive, thus, the same cannot be allowed.

Attached are the Salary Scales according to the classification of the ECs.

#### IV. AMENDATORY CLAUSE

This supersedes Memorandum No. 2008-009 dated 12 May 2008 on the Revised Salary Scale for Electric Cooperative Employees.

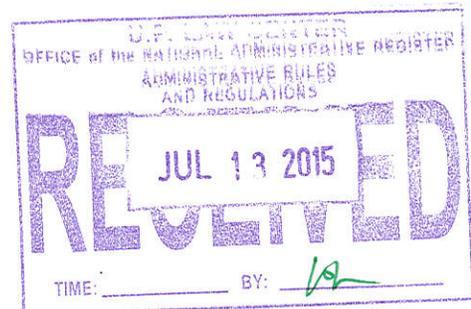
#### V. EFFECTIVITY

This Policy shall take effect fifteen (15) days upon filing with the University of the Philippines (UP) Law Center pursuant to the Presidential Memorandum Circular No. 11, dated October 9, 1992.

  
EDITA S. BUENO  
Administrator



*7/8/15*



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Approved by the NEA Board of Administrators on June 24, 2015 under Resolution No. 74.

**Employees Salary Scale for Small ECs**

Rank	Base (₱)	Rank Increment (₱)	Step Increment (₱)	STEP				
				1 (₱)	2 (₱)	3 (₱)	4 (₱)	5 (₱)
20	30,000	1,685	297.63	30,298	30,595	30,893	31,191	31,488
19	28,315	1,591	280.91	28,595	28,876	29,157	29,438	29,719
18	26,724	1,501	265.13	26,989	27,254	27,519	27,784	28,049
17	25,222	1,417	250.23	25,473	25,723	25,973	26,223	26,474
16	23,805	1,337	236.17	24,042	24,278	24,514	24,750	24,986
15	22,468	1,262	222.90	22,691	22,914	23,137	23,360	23,582
14	21,206	1,191	210.38	21,416	21,626	21,837	22,047	22,258
13	20,014	1,124	198.56	20,213	20,411	20,610	20,809	21,007
12	18,890	1,061	187.41	19,077	19,265	19,452	19,639	19,827
11	17,829	1,002	176.88	18,005	18,182	18,359	18,536	18,713
10	16,827	945	166.94	16,994	17,161	17,328	17,495	17,662
9	15,882	892	157.56	16,039	16,197	16,354	16,512	16,669
8	14,989	842	148.71	15,138	15,287	15,435	15,584	15,733
7	14,147	795	140.35	14,288	14,428	14,568	14,709	14,849
6	13,352	750	132.47	13,485	13,617	13,750	13,882	14,015
5	12,602	708	125.03	12,727	12,852	12,977	13,102	13,227
4	11,894	668	118.00	12,012	12,130	12,248	12,366	12,484
3	11,226	631	111.37	11,337	11,449	11,560	11,671	11,783
2	10,595	595	105.12	10,700	10,805	10,911	11,016	11,121
1	10,000		99.21	10,099	10,198	10,298	10,397	10,496

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**Employees Salary Scale for Medium ECs**

Rank	Base (₱)	Rank Increment (₱)	Step Increment (₱)	STEP				
				1 (₱)	2 (₱)	3 (₱)	4 (₱)	5 (₱)
20	35,000	2,149	382	35,382	35,763	36,145	36,526	36,908
19	32,851	2,017	358	33,209	33,567	33,925	34,284	34,642
18	30,834	1,893	336	31,170	31,506	31,842	32,179	32,515
17	28,941	1,777	316	29,256	29,572	29,887	30,203	30,518
16	27,164	1,668	296	27,460	27,756	28,052	28,348	28,644
15	25,496	1,565	278	25,774	26,052	26,330	26,608	26,886
14	23,930	1,469	261	24,191	24,452	24,713	24,974	25,235
13	22,461	1,379	245	22,706	22,951	23,196	23,441	23,685
12	21,082	1,294	230	21,312	21,542	21,771	22,001	22,231
11	19,787	1,215	216	20,003	20,219	20,435	20,650	20,866
10	18,572	1,140	202	18,775	18,977	19,180	19,382	19,585
9	17,432	1,070	190	17,622	17,812	18,002	18,192	18,382
8	16,362	1,005	178	16,540	16,718	16,897	17,075	17,254
7	15,357	943	167	15,525	15,692	15,859	16,027	16,194
6	14,414	885	157	14,571	14,728	14,886	15,043	15,200
5	13,529	831	148	13,677	13,824	13,972	14,119	14,267
4	12,698	780	138	12,837	12,975	13,114	13,252	13,391
3	11,919	732	130	12,049	12,179	12,309	12,439	12,568
2	11,187	687	122	11,309	11,431	11,553	11,675	11,797
1	10,500		114	10,614	10,729	10,843	10,958	11,072

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**Employees Salary Scale for Large ECs**

Rank	Base (₱)	Rank Increment (₱)	Step Increment (₱)	STEP				
				1 (₱)	2 (₱)	3 (₱)	4 (₱)	5 (₱)
20	40,000	2,628	469	40,469	40,937	41,406	41,875	42,344
19	37,372	2,455	438	37,810	38,248	38,686	39,124	39,562
18	34,917	2,294	409	35,327	35,736	36,145	36,554	36,963
17	32,624	2,143	382	33,006	33,388	33,771	34,153	34,535
16	30,481	2,002	357	30,838	31,195	31,552	31,909	32,267
15	28,478	1,871	334	28,812	29,146	29,480	29,813	30,147
14	26,608	1,748	312	26,919	27,231	27,543	27,855	28,167
13	24,860	1,633	291	25,151	25,442	25,734	26,025	26,316
12	23,227	1,526	272	23,499	23,771	24,043	24,315	24,588
11	21,701	1,426	254	21,955	22,210	22,464	22,718	22,973
10	20,276	1,332	238	20,513	20,751	20,988	21,226	21,463
9	18,944	1,244	222	19,166	19,388	19,610	19,832	20,054
8	17,699	1,163	207	17,907	18,114	18,321	18,529	18,736
7	16,537	1,086	194	16,730	16,924	17,118	17,312	17,505
6	15,450	1,015	181	15,631	15,812	15,993	16,174	16,356
5	14,435	948	169	14,605	14,774	14,943	15,112	15,281
4	13,487	886	158	13,645	13,803	13,961	14,119	14,277
3	12,601	828	148	12,749	12,896	13,044	13,192	13,339
2	11,773	773	138	11,911	12,049	12,187	12,325	12,463
1	11,000		129	11,129	11,258	11,387	11,516	11,644

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**Employees Salary Scale for Extra Large ECs**

Rank	Base (₱)	Rank Increment (₱)	Step Increment (₱)	STEP				
				1 (₱)	2 (₱)	3 (₱)	4 (₱)	5 (₱)
20	50,000	3,722	670	50,670	51,340	52,011	52,681	53,351
19	46,278	3,445	620	46,899	47,519	48,139	48,759	49,380
18	42,833	3,188	574	43,408	43,982	44,556	45,130	45,704
17	39,645	2,951	531	40,177	40,708	41,239	41,771	42,302
16	36,694	2,731	492	37,186	37,678	38,170	38,661	39,153
15	33,963	2,528	455	34,418	34,873	35,328	35,784	36,239
14	31,435	2,340	421	31,856	32,277	32,699	33,120	33,541
13	29,095	2,166	390	29,485	29,875	30,265	30,655	31,045
12	26,929	2,004	361	27,290	27,651	28,012	28,373	28,734
11	24,925	1,855	334	25,259	25,593	25,927	26,261	26,595
10	23,069	1,717	309	23,379	23,688	23,997	24,306	24,616
9	21,352	1,589	286	21,638	21,925	22,211	22,497	22,783
8	19,763	1,471	265	20,028	20,293	20,558	20,822	21,087
7	18,292	1,362	245	18,537	18,782	19,027	19,273	19,518
6	16,930	1,260	227	17,157	17,384	17,611	17,838	18,065
5	15,670	1,166	210	15,880	16,090	16,300	16,510	16,720
4	14,504	1,080	194	14,698	14,892	15,087	15,281	15,476
3	13,424	999	180	13,604	13,784	13,964	14,144	14,324
2	12,425	925	167	12,591	12,758	12,924	13,091	13,258
1	11,500		154	11,654	11,808	11,962	12,117	12,271

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**Employees Salary Scale for Mega Large ECs**

Rank	Base (₱)	Rank Increment (₱)	Step Increment (₱)	STEP				
				1 (₱)	2 (₱)	3 (₱)	4 (₱)	5 (₱)
20	60,000	4,873	884	60,884	61,768	62,652	63,536	64,420
19	55,127	4,477	812	55,939	56,751	57,563	58,376	59,188
18	50,650	4,114	746	51,396	52,142	52,888	53,634	54,381
17	46,536	3,780	686	47,221	47,907	48,593	49,278	49,964
16	42,756	3,473	630	43,386	44,016	44,646	45,276	45,906
15	39,284	3,191	579	39,862	40,441	41,020	41,599	42,177
14	36,093	2,931	532	36,625	37,157	37,688	38,220	38,752
13	33,162	2,693	489	33,650	34,139	34,627	35,116	35,605
12	30,468	2,475	449	30,917	31,366	31,815	32,264	32,713
11	27,994	2,274	412	28,406	28,819	29,231	29,643	30,056
10	25,720	2,089	379	26,099	26,478	26,857	27,236	27,615
9	23,631	1,919	348	23,979	24,327	24,676	25,024	25,372
8	21,712	1,763	320	22,032	22,352	22,671	22,991	23,311
7	19,948	1,620	294	20,242	20,536	20,830	21,124	21,418
6	18,328	1,489	270	18,598	18,868	19,138	19,408	19,678
5	16,840	1,368	248	17,088	17,336	17,584	17,832	18,080
4	15,472	1,257	228	15,700	15,928	16,156	16,384	16,612
3	14,215	1,155	209	14,425	14,634	14,844	15,053	15,263
2	13,061	1,061	192	13,253	13,446	13,638	13,830	14,023
1	12,000		177	12,177	12,354	12,530	12,707	12,884

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