

20 November 2019

**REPRESENTATIVE PRECIOUS HIPOLITO CASTELO**

Second District of Quezon City  
House of Representatives  
Batasan Complex, Batasan Hills  
Quezon City

Dear **Representative Castelo**:

We are pleased to submit the Department's position on House Bill No. 2308, entitled:

**An Act Exempting From Terminal Fees All Public and Private School Teachers**

This is without prejudice to the Department's submission of additional inputs.

With my best regards.

Very truly yours,



**RAMON M. LOPEZ**

Secretary 

OFFICE OF THE SECRETARY

DTI Position on

**House Bill No. 2308**

**An Act Exempting From Terminal Fees All Public and Private School Teachers**

The Department recognizes the objective of the bill to acknowledge the hard work and dedication of teachers in their profession, particularly in imparting knowledge and guiding students.

The DTI cites Article XIV, Section 5 (5) of the 1987 Constitution, which provides that:

*“The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment.”*

The Department expresses its views on the pertinent proposition of the bill, viz:

<b>Proposed Provision</b>	<b>DTI Position</b>
Sec. 2. Under this Act, every teacher of public and private schools is exempted from paying terminal fees for flights.	<ul style="list-style-type: none"><li>• We express reservations on exempting teachers from paying airport terminal fees given that the bill does not mention an explicit basis or justification for giving such.</li><li>• We believe that there is a need to study the proposal further to determine whether such incentive can sufficiently address the actual needs of teachers.</li><li>• Singling out incentives to one sector may only lead other sectors to demand the same benefit, which may snowball into a challenge for airport operations, specifically on maintenance.</li></ul>

We note that public school educators already enjoy a number of benefits and incentives (see Annex A). Private school teachers also enjoy the usual incentives mandated by the government to private institutions, such as holiday pay, premium pay, parental leaves, 13th month pay, separation pay, retirement pay, etc.

Currently, terminal fee exemptions only apply to students, Overseas Filipino Workers (OFWs), passengers authorized by the Office of the President, pilgrims endorsed by the National Commission on Muslim Filipinos (NCMF), and athletes

endorsed by the Philippine Sports Commission (PSC). Except for students, the incentive applies to passengers that would need to travel by plane for work. Unless for academic purposes, traveling via plane has no distinct correlation to teachers' line of work.

With an amount ranging from PhP50 to PhP220 per person for domestic flights and PhP600 to PhP850 for international flights, the Department acknowledges the burden that this imposes upon passengers in general. However, incentives should also be efficient and justified in lieu of additional government expenditure. We defer to the Department of Education (DepEd) and the Civil Aviation Authority of the Philippines (CAAP) as key stakeholders of the proposed bill.

*Luzapina Chay*

**Bureau of Trade and Industrial Policy Research**

**20 November 2019**

Ref: BTIPR-102019-03

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## ANNEX A

<b>Particulars</b>	<b>Amount</b>	<b>Frequency</b>	<b>Legal Basis</b>
Clothing/Uniform Allowance	6,000.00	Annually	DBM NBC No. No. 2012-1 dated February 23, 2012
Mid-year Bonus	One (1) month basic salary	Annually	DBM NBC No. 546 dated February 24, 2016
Year-end Bonus	One (1) month basic salary	Annually	DBM NBC No. 2010-1 dated April 28, 2010
Cash Gift	5,000.00	Annually	Budget Circular No. 2003-2, May 9, 2003
Productivity Enhancement Incentive (PEI)	5,000.00	Annually	DBM Budget Circular No. 2013-3 dated November 21, 2013
Anniversary Bonus	3,000.00	15th anniversary of the government agency and every fifth year thereafter	Administrative Order No. 263 dated March 28, 1996 and DBM National Budget Circular No. 452, dated May 20, 1996
Performance-Based Bonus (PBB)	Ranges from 50-65% of the basic monthly salary depending on school performance	Annually	Executive Order No. 80 s.2012 entitled Directing the Adoption of a Performance Based Incentive System (PBIS) for Gov't Employee
Proportional Vacation Pay (PVP)	70 days PVP during summer and Christmas break for those who have rendered full services during the school year.	Annually	Rule XVI of the Omnibus Civil Service Rules, Sec 6
Step Increment	One (1) Step Increment shall be granted to officials and employees for three (3) years of continuous satisfactory service in the position.		Civil Service Commission and Department of Budget and Management Joint Circular No. 1, s. 1990, March 29, 1990, Civil Service Commission and Department of Budget and Management Joint Circular No. 2, s. 1991, July 5, 1991, Civil Service Commission and Department of Budget and Management Joint Circular No. 1-2003, April 11, 2003

Step Increment	One or two (2) step increments due to meritorious performance using the Results-based Performance Management System (RPMS)		DepEd Order No. 65, s. 2016 re: Amendment to DepEd Order No. 79, s. 2012 (Implementing Guidelines on Grant of Step Increment for Teachers with Specialization in Science and/or Mathematics)
Loyalty Incentive	Cash 10th year: 10,000.00 15th year: 5,000.00 20th year: 5,000.00 25th year: 5,000.00 30th year: 5,000.00 35th year: 5,000.00 40th year: 5,000.00	Annually	COA Circular No. 2013-003A s. 2013
Chalk Allowance*	3500.00		General Appropriations Act (GAA)
Special Hardship Allowance	Teachers assigned in hardship posts (cannot be reached by regular means of transportation through hiking or banca/motorcycle rides), mobile teachers and multi-grade teachers (15-25% of basic salary).		National Budget Circular No. 514, s. 2007 from the Department of Budget and Management (DBM) entitled Guidelines on the Grant of Special Hardship Allowance (SHA)
<ul style="list-style-type: none"> <li>Honoraria for teaching overload subject to funds availability</li> <li>Leave privileges (Maternity, paternity, study leave)</li> <li>Additional incentive/allowances from LGU (selected divisions)</li> </ul>			Civil Service Commission Omnibus Rules on Leave Rule XVI and as amended by the CSC MC No. 41, s. 1998
Vacation service credits (max of 15 days per year)			DepEd Order No. 53, s. 2003  Updated DepEd Guidelines on Grant of Vacation Service Credits to Teachers
For mobile teachers	Php 2,000.00 per month for transportation allowance		
<ul style="list-style-type: none"> <li>For mobile teachers and DALCs</li> <li>In-service training</li> </ul>	Php 5,000.00 per year for instructional materials		
GSIS Benefits	Retirement and Life Insurance Premiums (RLIP)		
PhilHealth Benefits	Hospitalization, Annual Physical Examination		

Employees Compensation Program (ECP) benefits:			
<ul style="list-style-type: none"> <li>Personnel Economic Relief Allowance (PERA)</li> </ul>	2,000.00	Monthly	DBM NBC No. 2009 -3 dated August 18, 2009
<ul style="list-style-type: none"> <li>Representation and Transportation Allowance (RATA)</li> </ul>	Refer to DBM Budget Circular	Monthly	DBM NBC No. 546, dated January 17, 2013

\* Senate Bill No. 1092, which seeks to increase teachers' chalk allowance from PhP3,500 to PhP5,000 per year, was filed by Sen. Revilla this 18<sup>th</sup> Congress.