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TITLE : AN ACT PROVIDING FOR OPTIMUM UTILIZATION OF PERSONNEL IN
GOVERNMENT SERVICE THROUGH A SYSTEM OF ATTRITION, PROVIDING
PENALTIES FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES

TEXT :

H. No. 31034
S. No 1770

Republic of the Philippines
Congress of the Philippines
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day
of July, nineteen hundred and ninety-one.

[REPUBLIC ACT No. 7430]

AN ACT PROVIDING FOR OPTIMUM UTILIZATION OF
PERSONNEL IN GOVERNMENT SERVICE THROUGH A
SYSTEM OF ATTRITION, PROVIDING PENALTIES FOR
VIOLATION THEREOF, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:

SECTION 1. Declaration of Policy. - It is the policy of the
State to give highest priority to measures that will promote
morale, efficiency, integrity, responsiveness and progressiveness
in the civil service. Towards this end, optimum utilization of
personnel shall be assured through the institution of a system of
attrition in government.

SEC. 2. Definition of Terms. - As used in this Act, the
following terms shall mean:

(a) "Attrition" - The reduction of personnel as a result of
resignation, retirement, dismissal in accordance with existing

laws, death or transfer to another office; and

(b) "Government" - Includes the National Government, and all its instrumentalities or agencies including government-owned or -controlled corporations and their subsidiaries, excluding local government units.

SEC. 3. Attrition - Within five (5) years from the approval of this Act, no appointment shall be made to fill vacated positions in any government office as a result of resignation, retirement, dismissal, death or transfer to another office of an officer or employee: Provided, however, That this prohibition shall not apply in the following instances:

(a) Where the position is head of a primary organic unit such as chief of division;

(b) Where the position is the lone position in the organizational unit it corresponds to a particular expertise that is intrinsic to the desired basic capability of the unit concerned;

(c) Where the positions are basic positions for the initial operations of newly created or activated agencies or, in the case of other agencies, where the positions are vital and necessary for the continued and efficient operation of said agencies;

(d) Where the positions are difficult to fill considering the qualifications required therefor, as in the case of doctors, lawyers and other professionals;

(e) Where the positions are found in agencies declared to be understaffed;

(f) Positions in Congress or in the Judiciary;

(g) Appointments or designations extended by the President;

(h) Where the positions are found in local government units;

(i) Teaching personnel; and

(j) Where the replacements come from existing employees.

Provided further, That exemptions from this prohibition shall require authorization by the Civil Service Commission: Provided, finally, That no appointment shall be issued by the appointing authority nor approved by the Civil Service Commission without said authorization.

Appointments made in violation of this Act shall be null and void.

SEC. 4. Penalty. - Any appointing authority who makes an appointment in violation of this Act shall, upon conviction, be punished by imprisonment of not less than three (3) months but not exceeding six (6) months or by a fine of not less than Three thousand pesos (3,000) but not exceeding Five thousand pesos (P5,000), or both such imprisonment and fine, at the discretion of the court.

In addition, the appointing official shall be personally liable for the salary that would have accrued had the employment been lawful, and the disbursing official shall make payment to the employee of such amount from the salary of the appointing authority.

SEC. 5. Annual Reports. - The Civil Service Commission, as the central personnel agency of the Government, shall monitor and render an annual report to the President and the Congress on the extent of compliance with the law.

The report shall include, among others, the following:

(a) Total number of positions authorized in the agency's annual budget;

(b) Total number of officers and employees at the end of the year;

(c) Total number of officers and employees separated from the service during the year categorized as follows:

(1) Those who resigned;

(2) Those who retired;

(3) Those who were dismissed from the service;

(4) Those who died; and

(5) Those who transferred to another agency.

(d) Total number of new personnel recruited during the year; and

(e) Total number of vacancies at the end of the year.

The Commission shall also conduct a personnel effectiveness audit of all government agencies to determine optimum utilization of personnel. The audit reports shall, among others, include information on whether the agency is overstaffed or understaffed and its minimum and maximum personnel

requirements.

The Commission shall likewise conduct and prepare a work study which shall contain among others: the evaluation and effectiveness of the program during the five-year period of its enforcement and the feasibility of extending the same to another period. The Commission shall submit its audit reports and work study together with its recommendations to the President and the Congress of the Philippines.

SEC. 6. Rules and Regulations. - The Civil Service Commission shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 7. Repealing Clause. - All laws, presidential decrees, executive orders, other executive issuances, or parts thereof, which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 8. Effectivity Clause. This Act shall take
effect
fifteen (15) days after its publication in at least two (2)
newspapers of general circulation.

Approved,

NEPTALI A. GONZALES
President of the Senate

RAMON V. MITRA
Speaker of the House
of Representatives

This Act which is a consolidation of House Bill No. 31034 and Senate Bill No. 1770 was finally passed by the House of Representatives and the Senate on February 7, 1992.

ANACLETO D. BADOY, JR.
Secretary of the Senate

CAMILO L. SABIO
Secretary General
House of Representatives

Approved: APRIL 15, 1992

CORAZON C. AQUINO
President of the Philippines

