

1 this end, the State hereby calls for an effective, efficient and responsible
2 administration of the executive/managerial class within the third level of the
3 *career service that will maintain continuity and stability in the bureaucracy.*

4 SEC. 3. *Coverage.* – This Act shall cover the executive/managerial
5 class of the third level which constitutes the Career Executive System (CES).

6 SEC. 4. *Definition of Terms.* – As used in this Act, the following
7 terms shall be construed as follows:

8 (a) *Third level* refers to the highest level in the career service of the
9 Civil Service System under the 1987 Philippine Constitution which includes
10 positions in the executive and managerial class, and the positions in the highly
11 technical and specialized class such as the Foreign Service, the scientific,
12 technical, artistic and academic fields in all branches, subdivisions,
13 instrumentalities and agencies of the government including government-owned
14 or -controlled corporations with original charters. The third level covers all
15 positions higher than chief of division based on the position classification
16 system of the Department of Budget and Management (DBM) and the Civil
17 Service Commission (CSC) or based on such other systems as may be
18 applicable across the Executive, Legislative and Judicial branches, including
19 constitutional offices.

20 (b) *Career Executive System (CES)* refers to the system of
21 professionalization and career development of the executive and managerial
22 component of the third level in the career service.

23 (c) *Career Executive System Board (CESB)* refers to the policy-making
24 body responsible for the development, maintenance and administration of the
25 CES.

26 (d) *Career Executive Officer (CEO)* refers to a Career Executive
27 Officer-Eligible who is conferred a CES rank and appointed to a position
28 covered by the CES.

1 (e) *Career Executive Officer-Eligible (CEO-E)* refers to a person who
2 passed the qualifying examination process set by the Board through the CSC
3 but has not yet been appointed to a position in the CES.

4 (f) *Rank* refers to the index of classification of CEOs to which a
5 CEO-E may be appointed by the CSC in accordance with the requirements
6 prescribed by the Board.

7 (g) *Mobility* refers to the movement of a CEO from one position to
8 another without reduction in rank or salary.

9 (h) *Highly Technical/Specialized Class* refers to the class of positions
10 requiring technical skills or training in the superior degree involving highly
11 specialized duties and requiring extended training and experience as to render
12 impracticable the giving of a competitive examination.

13 (i) *Executive/Managerial Class* refers to the class of positions above
14 chief of division primarily charged with the implementation of policies and the
15 routine operations of an office.

16 ARTICLE II

17 CAREER EXECUTIVE SYSTEM

18 SEC. 5. *The Career Executive System (CES)*. – The CES shall cover
19 all executive and managerial positions in the third level in the Executive,
20 Legislative and Judicial branches, including constitutional offices and such
21 other equivalent positions as may be identified by the Board. Entry and
22 advancement in the CES shall be governed by the principles of merit and
23 fitness and other requirements as may be prescribed by the Board through the
24 CSC. The CES shall be essentially characterized by the principles of merit and
25 fitness, security of tenure and mobility.

26 SEC. 6. *Career Executive System Board (CESB)*. – A Career
27 Executive System Board, hereinafter referred to as the Board, under the
28 administrative supervision of the Civil Service Commission (CSC), hereinafter

1 referred to as the Commission, is hereby created. It shall be composed of the
2 Chairperson of the Commission as the Board's *ex officio* Chairperson; and
3 three (3) *ex officio* members, namely: the Secretary of the DBM or a
4 permanent representative not lower than an Undersecretary; the President of
5 the Development Academy of the Philippines; and the Dean of the National
6 College of Public Administration and Governance of the University of the
7 Philippines. The Board shall also include three (3) members to be appointed
8 by the Chairperson for a term of three (3) years, namely: one (1)
9 representative of the nationwide association of CEOs; one (1) representative of
10 the nationwide association of personnel managers in the private sector, both of
11 whom shall be nominated by their respective associations; and one (1)
12 representative from the ranks of retired CEOs who is familiar with the
13 principles and methods of personnel administration. The members of the
14 Board shall be provided with per diems and allowances as may be determined
15 by the Commission.

16 *SEC. 7. Powers and Functions of the Board.* – The Board shall be the
17 *policy-making body of the CES.* It shall promulgate rules, standards and
18 procedures in the recruitment, selection, assignment to positions, classification,
19 compensation, mobility, performance management, tour of duty, rewards and
20 incentives, and training and career development of CEOs and CEO-Es.

21 *SEC. 8. Office of the Career Executive and Specialized Systems*
22 *(OCESS).* – The Office of the Career Executive and Specialized Systems
23 *(OCESS), which shall be an office under the Commission, shall serve as the*
24 *CESB secretariat with its own administrative and financial component. It shall*
25 *be responsible for the implementation of the policies, rules, regulations,*
26 *decisions, directives and instructions pertaining to the third level of the career*

1 service. An Assistant Commissioner of the Commission shall head the OCESS
2 and shall be assisted by a Director IV, both of whom shall be CEOs, and shall
3 be appointed by the Chairperson of the Commission upon recommendation by
4 the Board.

5 ARTICLE III

6 POLICIES AND STANDARDS IN THE 7 CAREER EXECUTIVE SYSTEM

8 SEC. 9. *Membership in the Career Executive System.* – A
9 CEO-E who is assigned to a position in the CES shall be given the entry rank
10 as CEO by the Commission upon recommendation by the Board. This
11 conferment of rank signifies completion of the certification process and
12 bestows the rights and privileges to membership in the CES.

13 SEC. 10. *Security of Tenure.* – A CEO shall enjoy security of tenure
14 in the CES and shall not be suspended nor dismissed except for cause and after
15 due process.

16 SEC. 11. *Compensation.* – A CEO shall be compensated according to
17 rank and shall be provided with a competitive compensation and benefit
18 package, including reasonable allowances. In case the position occupied by
19 the CEO has a salary grade higher than the rank conferred, the CEO shall
20 receive the difference in salary while assigned to the position. The Board, in
21 coordination with the Commission and the DBM, shall develop and
22 periodically review a compensation plan for CEOs. The employing agency
23 shall provide the funds to pay the salary, fringe benefits and allowances of a
24 CEO.

25 SEC. 12. *Rank System in the Career Executive System.* – A CEO shall
26 be classified according to rank which shall be established and determined by
27 the Commission upon recommendation by the Board. Rank classification shall

1 be based on proven competence, qualifications such as appropriate academic
2 and professional background, broad levels of responsibility and other relevant
3 considerations.

4 SEC. 13. *Appointment to Rank.* – Only a CEO-E assigned to a
5 position in the CES shall be appointed to rank by the Commission upon
6 recommendation by the Board. The issuance of rank shall be done by the
7 Chairperson of the Commission.

8 SEC. 14. *Promotion in Rank.* – The Board shall recommend to the
9 Commission the criteria which shall be the basis for promotion in rank. The
10 criteria to be established shall include, but shall not be limited to, performance,
11 qualifications and proven competence.

12 SEC. 15. *Mobility in the Career Executive System.* – A CEO may be
13 assigned to any position in the CES without diminution in rank and salary.
14 There shall be a tour of duty of three (3) years for each CEO during which
15 period the CEO shall not be transferred to another office or position without
16 the consent of the CEO. In filling of a vacancy, the head of agency shall
17 choose from those who have been granted rank or eligibility. The
18 Commission, through the Board, shall provide information on vacancies, an
19 updated list of available qualified persons who may be assigned, and such
20 other mechanisms to assist the head of agency in the selection.

21 SEC. 16. *Assignment to Positions in the Career Executive System.* –
22 CEO-Es shall be given priority in assignments to vacant positions in the CES.
23 In exceptional cases, a non-CEO-E may be assigned to a position in the CES
24 on a temporary status until a CEO-E becomes available. Those who are in
25 Salary Standardization Law (SSL)-exempt agencies shall also be required to be
26 CEO-Es prior to their assignments to positions in the CES. All career
27 undersecretaries and assistant secretaries and other officials of similar rank

1 shall come from the roster of CEO-Es. The assigning authority shall choose
 2 from a list of at least three (3) eligibles who are qualified, available and willing
 3 to be assigned to said vacant position. The number of career undersecretaries
 4 and assistant secretaries and other officials of similar rank shall conform to the
 5 number set by law. The Commission shall establish a mechanism to ensure
 6 that assignments to positions in the CES conform to the standards prescribed
 7 under this Act.

8 SEC. 17. *Discipline.* – The Commission shall have the authority to
 9 discipline occupants of positions in the CES: *Provided, That,* such authority to
 10 discipline shall be concurrent with the assigning authority.

11 SEC. 18. *Training and Career Development.* – The Board shall
 12 establish a continuing program of training and career development for CEO
 13 and CEO-Es.

14 SEC. 19. *Performance Management.* – The Board shall develop a
 15 system for periodic evaluation of the performance of occupants of positions in
 16 the CES taking into account their accomplishments and managerial capability.
 17 This periodic evaluation system shall be the basis for the *grant of incentives*
 18 and awards for meritorious performance, as well as sanctions for poor
 19 performance.

20 ARTICLE IV

21 MISCELLANEOUS PROVISIONS

22 SEC. 20. *Transitory Provisions.* – (a) Upon the effectivity of this Act,
 23 all Career Executive Service Officers (CESO) who were conferred CESO
 24 ranks under Article IV, Part III of the Integrated Reorganization Plan under
 25 Presidential Decree No. 1, as amended, shall, as a vested right, be accredited as
 26 CEOs under this Act and shall be appointed to CEO ranks corresponding to
 27 their CESO rank.

1 (b) Career Executive Service Eligibles (CESEs) who passed the
2 examinations given by the former CESB, and CSEEs who passed the
3 examination given by the CSC, and who are assigned to positions in the CES at
4 the time of effectivity of this Act, shall be appointed to entry rank as CEOs.

5 (c) Those who possess CESE but who are not assigned positions in the
6 CES at the time of the effectivity of this Act shall be accredited as
7 CEO-Es.

8 (d) Career Service Executive Eligibles (CSEE) who have not been
9 assigned to positions in the CES at the time of the effectivity of this Act shall
10 be required to undergo further screening process to qualify as CEO-Es.

11 (e) The personnel, assets, funds, grants and records of the former
12 CESB secretariat are hereby transferred to the OCESS.

13 (f) The Chairperson of the Commission shall designate an
14 Officer-in-Charge pending the appointment of an Assistant Commissioner to
15 head the OCESS.

16 (g) Incumbent officials and employees of the current CESB secretariat
17 shall continue to exercise their respective functions, duties and responsibilities
18 with the corresponding benefits and privileges.

19 SEC. 21. *Implementing Rules and Regulations.* -- The Board, in
20 coordination with the Commission, shall promulgate implementing rules and
21 regulations as may be necessary to implement the intent and purposes of this
22 Act and which shall be published in the *Official Gazette* and in two (2)
23 newspapers of general circulation.

24 SEC. 22. *Separability Clause.* -- If any part, section or provision of
25 this Act is held invalid or unconstitutional, no other part, section or provision
26 shall be affected by the invalidity or unconstitutionality thereof.

1 SEC. 23. *Repealing Clause.* – Article IV, Part III of the Integrated
2 Reorganization Plan, as approved under Presidential Decree No. 1, as
3 amended, is hereby repealed. All provisions of Executive Order No. 292, or
4 the Revised Administrative Code of 1987 on the Civil Service Commission
5 that are inconsistent with this Act are hereby repealed. All laws, rules and
6 regulations or parts thereof that are inconsistent with the provisions of this Act
7 are hereby repealed or modified accordingly.

8 SEC. 24. *Effectivity.* – This Act shall take effect fifteen (15) days after
9 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

○