AREA II

FACULTY

PARAMETER G:

SALARIES, FRINGE BENEFITS, AND INCENTIVES

I.1.7

I.1.7 fringe benefit performance based bonus (PBB)



INTER-AGENCY TASK FOR
MONITORING, INFORMATION AND REPORTING SYSTEMS
(Administrative Order No. 25 s. 2011)
MEMORANDUM CIRCULAR NO. 2015 - 1

August 12,2015

TO **All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges, Government-Owned or-Controlled Corporations, and Local Water Districts.**

SUBJECT. Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2015 under Executive Order No. 80

1.0 **PURPOSE**

This Memorandum Circular contains the criteria and conditions for the grant of Performance-Based Bonus (PBB) in FY 2015 The guidelines specify new requirements such as:

1.1 Use of the Strategic Performance Management System (SPMS) as basis for ranking performance of First and Second level employees;

1.2 Compliance to Public Financial Management (PFM) reporting requirements of the Commission on Audit (COA) and Department "of Budget and Management (DBM):

1.3 Adoption and use of the Agency Procurement Compliance and Performance Indicators (APCPI) System;

1.4 Compliance with Section 3e of Administrative Order (AO) No. 46 s.2015 which requires agencies to submit their respective Annual Procurement Plan (APP);

1.5 Submission of separate Forms B and C for Agency Accomplishment for Priority Programs and Initiatives under Executive Order (EO) No. 43, and Agency Accomplishment for OP Planning Tool FY 2015 Targets, respectively.

2.0 **COVERAGE**

2.1 This circular covers all Departments, Bureaus. Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman. State Universities and Colleges, Government-Owned or- Controlled Corporations, and Local Water Districts.

2.2 All officials and employees of eligible departments/agencies holding regular plantilla positions; and contractual and casual personnel having an employer-employee relationship with the said agencies, and whose compensation is charged to the lump sum appropriation under Personnel Services, or those occupying positions in the DBM- approved contractual staffing pattern of the agencies concerned, are covered by this Circular

3.2 To be eligible for a higher percentage distribution in the ranking of delivery units, the whole Department/Agency must achieve at least 90% of each one of the additional targets of the Secretary/Head of Agency as reflected in the OP Planning Tool Form 1 *(Annex 4 - Form C Agency Targets and Accomplishments for Planning Tool Commitments)* and under the Ease of Doing Business targets *(see Annex 8 - List of Agencies with PT and EODB Commitments)*, in addition to the criteria in Section 3.1

4.0 FY 2015 PERFORMANCE TARGETS

4.1 All MFO indicators and targets in the FY 2015 Performance-Informed Budget approved by Congress shall be the basis for assessing eligibility for the P8B.

4.2 In addition to the STO indicators and targets in the FY 2015 Performance-Informed Budget, Departments/Agencies shall include the following:

a. Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the IATF or the submission of an Operations Manual covering selected core processes or areas of operation, *(see Annex 9 - Guideline on Scope of Operations Manual)*

b STO target identified in accordance with the priority of tae agency head.

4.3 The GASS targets shall be:

a. Budget Utilization Rate (BUR), which shall consist of:

a.1. Obligations BUR computed as obligations against all allotments issued for FY 2015. including those released under the "GAA as a release document" policy; and

a. 2. Disbursement BUR which is measured by the ratio of total disbursement (cash and non-cash, excluding personnel services) to total obligations for maintenance and other operating expenses (MOOE) and capital outlays (CO) in FY 2015.

b. Compliance to Public Financial Management (PFM) reporting requirements of the COA and DBM in accordance with the prescribed content and period of submission under existing laws, rules and regulations. This includes the following:

b. 1. Budget and Financial Accountability Reports (BFARs)

b.2. Report on Ageing of Cash Advances

b.3. COA Financial Reports (Statement of Financial Position; Statement of Financial Performance; Statement of Changes in Net Assets/Equity; Statement of Cash Flows; Statement of Comparison of Budget and Actual Amounts; and Notes to Financial Statements)[per COA Resolution 2014-003],

c. Adoption and use of the 2014 Agency Procurement Compliance and Performance Indicators (APCPI) System per GPPB Resolution No. 10-2012, applicable to the agencies who are in the list of trained agencies for APCPI *(See Annex 6 - Master List of Agencies)*.

d. Submission of agency Annual Procurement Plan (APP) based on the approved budget in the GAA to the Government Procurement Policy Board (GPPB) and its Technical Support Office (TSO), as prescribed by Section 3e of AO No. 46 s.2015.

5.4 The system of ranking delivery units and individuals should be posted in the agency transparency seal and disseminated to employees not later than October 30. 2015.(See *Annex 10 - Guideline on Transparency Seal)*

5.5 To submit the Certificate of Compliance with PhilGEPS. see Annex 11 - Guideline on PhilGEPS.

5.6 A pre-assessment of agency compliance with the Good Governance Conditions and other PBB requirements shall be conducted starting October 1. 2015.

6.0 ELIGIBILITY OF INDIVIDUAL S

6.1 The eligibility of Department Secretaries, Heads of Other Executive Offices, Chairpersons and Commissioners of Constitutional Offices, and non-ex-officio heads of GOCCs covered by DBM shall be based on the eligibility of the respective department/agency, Their PBB rate shall be fixed at P35.000 for FY 2015.

6.2 Non-ex officio Board Members of GOCCs covered by DBM may be eligible subject to the following conditions:

a. 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary:

b. Nine (9) months aggregate service as Members of the Board: and

c. Submission of FY 2015 Corporate Operating Budget (COB) to DBM within the set deadline.

6.3 The eligibility of SUC Presidents will be based on CHED Memo Order No. 4 s. 2015

6.4 Employees belonging to the First and Second Levels should receive a rating of at least "Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS).

6.5 Third Level officials should receive a rating of at least "Very Satisfactory" under the CESPES. CESPES covers all incumbents of CES positions in various agencies of the national government including GOCCs with original charters, for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.

6.6 Other officials performing managerial and executive functions who are not presidential appointees are covered by the agency's CSC-approved SPMS and should receive a rating of at least "Satisfactory",

6.7 Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.

6.8 Personnel who transferred from one government agency to another agency shall be rated and ranked by the agency where he/she served the longest If equal months were served for each agency, he/she will be included in the recipient agency.

6.9 An employee who has rendered a minimum of nine (9) months of service during the fiscal year and with a performance rating in accordance with items 6 4 and 6.5 hereof may be eligible to the full grant of the PBB

6.10 An employee who rendered a minimum of three (3) months but less than nine (9) months of service and with the required performance rating shall be eligible for the grant of PBB

Ranking	Performance Category
Next 25%	Better Bureau/Office/DeliveryUnit
Next 65%	Good Bureau/Office/DeliveryUnit

7.2 Agencies that meet at least 90% of each one of the FY 2015 targets of the Secretary/Head of Agency other than those in the Congress approved PIB as reflected in the OP Planning Tool commitments for FY 2015 and under the Ease of Doing Business targets, in addition to the criteria and conditions in Section 3.1, shall force rank the offices/delivery units eligible to the PBB according to the following categories:

Ranking	Performance Category
Top 15%	Best Bureau/Office/DeliveryUnit
Next 30%	Better Bureau/Office/DeliveryUnit
Next 55%	Good Bureau/Office/DeliveryUnit

7.3 To facilitate the ranking of delivery units, agencies should consider similarities of task and responsibilities to determine the most appropriate grouping or clustering of delivery units and individuals for purposes of evaluating and ranking group and individual performance.

7.4 Only the personnel belonging to eligible bureaus, offices or delivery units are qualified for the PBB

7.5 Officials and employees of bureaus, offices or delivery units that qualified for the PBB, based on the criteria and conditions set in Sections 7.1 and 7.2, shall be forced ranked subject to the estimated budget ceiling per agency for FY 2015 PBB.

For the best bureau, office or delivery unit:

Ranking	Individual Performance Category
Top 20%	Best Performer
Next 35%	Better Performer
Next 45%	GoodPerformer

For the better bureau, office or delivery unit:

Ranking	Individual Performance Category
Top 15%	Best Performer
Next 30%	Better Performer
Next 55%	Good Performer

good bureau, office or delivery unit:

Ranking	Individual Performance Category
Top 10%	Best Performer
Next 25%	Better Performer
Next 65%	Good Performer

7.6 Eligibility of attached agencies is no longer dependent on the eligibility of the entire department/agency. Payout to attached agencies will be given separately in case one of them is not eligible.

7.7 Officials belonging to the Third Level who receive "Satisfactory" rating under the CESPES, and employees belonging to the First and Second Levels who receive a "Below Satisfactory" rating under the CSC-approved SPMS shall **not** be eligible to the PBB.

7.8 The resulting ranking of offices/delivery units and the personnel therein shall be indicated in Form 1.0 *(Annex 5)*

9.0 COMPLIANCE VALIDATION

As with the previous cycles of the PBB, the following oversight agencies are tasked to conduct the validation of the PBB requirement:

PBB Requirement	VALIDATING AGENCY
; Transparency Seal	DBM-OCIO
' PhilGEPS Posting	] PhilGEPS
' Citizen's Charter	CSC
Submission of SALN of employees	Office of the President Office of the Ombudsman and CSC. *Note: The SALN validating agencies shall provide the list of SALN non-filers*
MFO- Physical Accomplishments of • Departments • OEOs • GOCCs covered by DBM • GOCCs covered by RA 10149 • SUCs • LWDs	 DBM - BMB A, B. C, D and E OP-OES DBM -BMB F and OP-OES GCG CHED and DBM-ROs DBM-BMB F and LWUA
STO - accomplishment • QMS Certification / Operations Manual • STO identified by agency head	 GQMC DBM - BMB A, B. C. D, E and F; OP-OES: CHED; LWUA
GASS • BUR of Departments, OEOs and GOCCs covered by DBM . BUR of SUCs • Public Financial Management Reports • Submission of Financial Statements, Ageing of Cash Advances Report • BFARs • APCPI • Submission of APP	 DBM-BMB A, B, C, D, E and F DBM Regional Offices DBM COA DBM and COA GPPB-TSO GPPB-TSO
Priority Program Accomplishments	j PMS
OP Planning Tool Accomplishments	' OP-OCS
EODB Accomplishments	NCC
Agency Rating and Ranking Report • Departments . OEOs • GOCCs covered by DBM • GOCCs covered by RA 10149 • SUCs . LWDs	 DBM-OPCCB DBM-OPCCB and DBM-NCR DBM BMB - F GCG DBM-RO LWUA and DBM BMB-F

10.0 EFFECTS OF NON-COMPLIANCE

10.1 For FY 2015 agencies that are unable to comply with all the good governance conditions shall be considered ineligible for the PBB FY 2015.

10.2 Upon determination, after due process by the oversight agency, of misrepresentation in the submitted reports for the PBB, commission of fraud in the payment of the PBB and

13.0 TIMELINE FOR FY 2015 IMPLEMENTATION

Activity	Deadline
i Submission of FY 2014 Financial Reports to COA Submission of FY 2014 Financial Reports to COA *(for Big Agencies)*	On or before March 31.2015 On or before April 30, 2015
Posting of Agency system of ranking delivery units and individuals	On or before October 30, 2015
Submission of Report on Ageing of Cash Advance Liquidation (with November 15, 2015 as cut-off)	On or before December 1, 2015
Submission of Certificate of Compliance with PhilGEPS (with November 15. 2015 as cut-off)	On or before December 1,2015
Note: Certificate of Compliance for Transparency Seal and Citizen's Charter will not be submitted to DBM- OCIO and CSC) Pre-Assessment will be conducted by the validating agencies starting October 1. 2015. Agencies should ensure compliance to the requirements.	
Submission of accomplishments using Forms A, A1, B, C and Form 1.0 *(see Annexes 1, 2, 3. 4. 5)* a. With December 31, 2015 as cut-off date b. With April 1. 2016 as cut-off date (FOR DEPED ONLY)	On or before January 15. 2016 On or before April 18. 2016
Submission of BFARs to COA and DBM	30 Days or one month after the end of quarter
Submission of APCPI Self Assessment	On or before December 1,2015
Submission of APP	Within the first month of the year until before end of April 2015.
Validation of QMS Certification/Operations Manual Submission	On or before January 15, 2016
Validating of 2nd STO Indicator as identified by head of agency	On or before January 15, 2016

14. APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE AND JUDICIAL BRANCHES AND LOCAL GOVERNMENT UNITS (LGUs)

Congress. The Judiciary, Constitutional Commissions, and the Office of the Ombudsman are encouraged to follow these guidelines to be eligible to the Performance-Based Bonus.

LGUs may also participate in FY 2015 PBB. The Department of the Interior and Local Government (DILG). in coordination with the A025 Technical Working Group, shall craft the Guidelines on the Grant of FY 2015 PBB for LGUs and oversee the implementation of the PBB in LGUs.

15. EFFECTIVITY

This Circular shall take effect immediately.

FLORENCIO B. ABAD
Secretary, Department of Budget and Management and
Chairman, AO 25 Inter-Agency^Task Force

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA

OFFICIAL RELEASE

BUDGET CIRCULAR

No. 2016 - 4
April 28, 2016

TO : **All Heads of Departments, Agencies, State Universities and Colleges (SUCs) and other Offices of the National Government, including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG), Government-Owned or -Controlled Corporations (GOCCs); Heads of Local Government Units (LGUs); and All Others Concerned**

SUBJECT : **Updated Rules and Regulations on the Grant of the Year-End Bonus and Cash Gift for FY 2016 and Years Thereafter**

1.0 Background

1.1 Executive Order (EO) No. 201, s. 2016, entitled "*Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel*," provided for the adoption of a compensation adjustment strategy that will ensure that the government compensation structure is comparable with the prevailing rates in the private sector, thereby attracting and retaining competent and committed civil servants.

1.2 The compensation adjustment strategy includes the following:

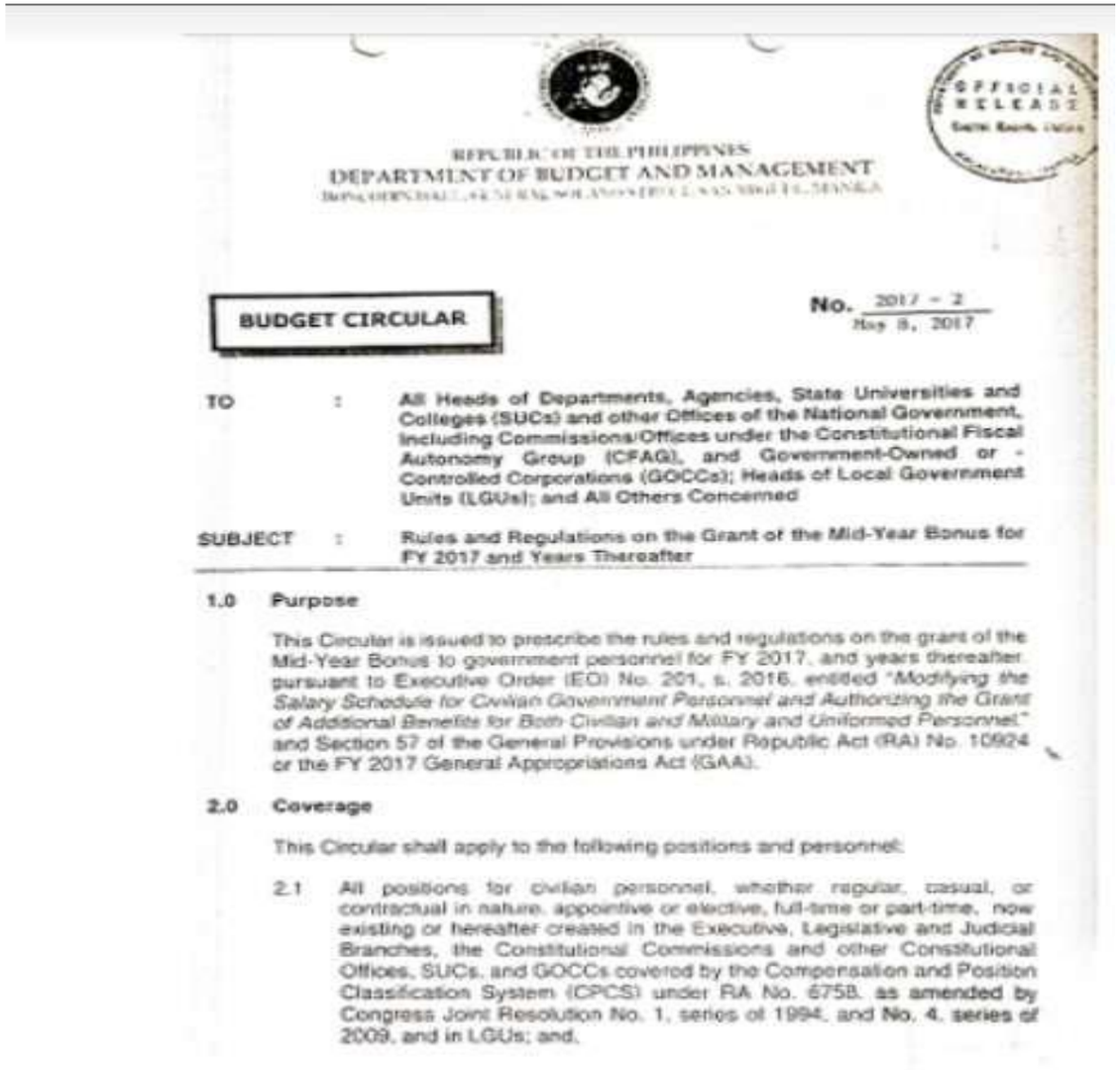
1.2.1 Increase in the basic salary of civilian personnel;

1.2.2 Grant of new and increased rates of certain allowances for the military and uniformed personnel;

1.2.3 Grant of a Mid-Year Bonus equivalent to one-month basic salary not earlier than May 15 of every year, as an additional benefit; and

1.2.4 Enhancement of the existing Performance-Based Bonus.

1.3 EO No. 201 likewise provides that the existing Year-End Bonus and Cash Gift shall be given in November of every year.



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT

OFFICIAL RELEASE

BUDGET CIRCULAR

No. 2017 - 2
May 8, 2017

TO : **All Heads of Departments, Agencies, State Universities and Colleges (SUCs) and other Offices of the National Government, including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG), and Government-Owned or -Controlled Corporations (GOCCs); Heads of Local Government Units (LGUs); and All Others Concerned**

SUBJECT : **Rules and Regulations on the Grant of the Mid-Year Bonus for FY 2017 and Years Thereafter**

1.0 Purpose

This Circular is issued to prescribe the rules and regulations on the grant of the Mid-Year Bonus to government personnel for FY 2017, and years thereafter, pursuant to Executive Order (EO) No. 201, s. 2016, entitled "*Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel*," and Section 57 of the General Provisions under Republic Act (RA) No. 10924 or the FY 2017 General Appropriations Act (GAA).

2.0 Coverage

This Circular shall apply to the following positions and personnel:

2.1 All positions for civilian personnel, whether regular, casual, or contractual in nature, appointive or elective, full-time or part-time, now existing or hereafter created in the Executive, Legislative and Judicial Branches, the Constitutional Commissions and other Constitutional Offices, SUCs, and GOCCs covered by the Compensation and Position Classification System (CPCS) under RA No. 6758, as amended by Congress Joint Resolution No. 1, series of 1994, and No. 4, series of 2009, and in LGUs; and,

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Track Documents

PBB

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TRACK RECORDS

TRACKING #	REFERENCE #	REQUISITIONER	DESCRIPTION	TYPE	PURPOSE	DATE REGISTERED
260723S5D0OPT		HRMDO	PBB 2024 FORM 1.0	COMMUNICATION LETTER (INTERNAL)	SIGNATURE OF PRES. JLP FOR PBB SUBMISSION	JULY 23, 2026 05:00
260722J08GUCO		[redacted]	LETTER TO PRESIDENT (PBB)	COMMUNICATION LETTER (INTERNAL)	FOR SIGNATURE	JULY 22, 2026 01:34
260721OGBL4SN		[redacted]	LETTER TO THE PRESIDENT (PBB DATA)	COMMUNICATION LETTER (INTERNAL)	FOR COMMUNICATION	JULY 21, 2026 04:58
260714QVX4U56		SPECIAL ORDER - PBB	SPECIAL ORDER - PBB	SPECIAL ORDER		JULY 14, 2026 10:31
2502286IQ2NZ8		[redacted]	ANNEX 2 FOR PRES SIGNATURE	COMMUNICATION LETTER (INTERNAL)	FOR PBB SUBMISSION	FEBRUARY 28, 2025 04:52
250228MIC2TGY		[redacted]	ANNEX 2 FORM FOR PRES SIGNATURE	COMMUNICATION LETTER (INTERNAL)	FOR PBB SUBMISSION	FEBRUARY 28, 2025 04:30

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