



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

**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

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**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,

- 2.2 Military personnel of the Armed Forces of the Philippines under the Department of National Defense and uniformed personnel of the Philippine National Police, Philippine Public Safety College, Bureau of Fire Protection, and Bureau of Jail Management and Penology of the Department of the Interior and Local Government; Philippine Coast Guard of the Department of Transportation; and National Mapping and Resource Information Authority of the Department of Environment and Natural Resources.

### 3.0 Exclusions

The following are excluded from the coverage of this Circular:

- 3.1 Government personnel from agencies, including GOCCs, that are exempted from RA No. 6758, as amended, as expressly provided in their respective enabling law or charter, and are actually implementing their respective CPCS approved by the President of the Philippines;
- 3.2 Government personnel from GOCCs covered by the CPCS established by the Governance Commission for GOCCs and approved by the President of the Philippines pursuant to RA No. 10149; and
- 3.3 Those hired without employee-employer relationships and funded from non-Personnel Services appropriations/budgets, as follows:
  - 3.3.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
  - 3.3.2 Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
  - 3.3.3 Student workers and apprentices; and
  - 3.3.4 Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

### 4.0 Definition of Terms

For purposes of this Circular, the succeeding terms used herein shall have the following meanings:

- 4.1 **Monthly basic pay** shall refer to the monthly salary for regular and contractual civilian personnel; the total daily wages for the twenty-two (22) working days a month for casual personnel (equal to the monthly salary of a regular personnel); the monthly base pay for the military and



uniformed personnel; and the monthly honoraria for *non-salaried barangay* officials and employees.

- 4.2 The **total or aggregate service** required from government personnel for purposes of the grant of the Mid-Year Bonus shall include all actual services rendered, whether continuous or intermittent, while occupying a regular, contractual, or casual position in the national and/or local government, including leaves of absence with pay.

## **5.0 Guidelines on the Grant of the Mid-Year Bonus**

- 5.1 The **Mid-Year Bonus** equivalent to one (1) month basic pay as of May 15 shall be given to entitled personnel **not earlier than May 15** of the current year, subject to the following conditions:
- 5.1.1 Personnel has rendered at least a total or an aggregate of four (4) months of service from July 1 of the immediately preceding year to May 15 of the current year;
  - 5.1.2 Personnel remains to be in the government service as of May 15 of the current year; and
  - 5.1.3 Personnel has obtained at least a satisfactory performance rating in the immediately preceding rating period, or the applicable performance appraisal period. If there is a need for a shorter period, it shall be at least ninety (90) calendar days or three (3) months, provided that the total or aggregate service under Item 5.1.1 hereof is complied with.
- 5.2 Those who have rendered a total or an aggregate of less than four (4) months of service from July 1 of the preceding year to May 15 of the current year, and those who are no longer in the service as of the latter date, shall not be entitled to the Mid-Year Bonus.
- 5.3 The Mid-Year Bonus of personnel hired on part-time service in one or more agencies shall be in direct proportion to the number of hours/days of part-time services rendered.
- 5.4 The Mid-Year Bonus of those on detail to another government agency shall be paid by the parent agency, while those on secondment shall be paid by the recipient agency.
- 5.5 The Mid-Year Bonus of personnel who transferred from one agency to another shall be paid by the new agency.

5.6 A compulsory retiree, whose services have been extended, may be granted Mid-Year Bonus, subject to the pertinent provisions of this Circular.

5.7 Those who are formally charged administrative and/or criminal cases which are still pending for resolution, shall be entitled to Mid-Year Bonus until found guilty by final and executory judgment: Provided, that:

5.7.1 Those found guilty shall not be entitled to Mid-Year Bonus in the year of finality of the decision. The personnel shall refund the Mid-Year Bonus received for that year.

5.7.2 If the penalty imposed is only a reprimand, the personnel concerned shall be entitled to the Mid-Year Bonus.

#### **6.0 Mid-Year Bonus for Personnel of Covered GOCCs**

The grant of the Mid-Year Bonus to personnel of covered GOCCs shall be determined by their respective governing boards, subject to the following considerations:

6.1 The provisions on the entitlement/non-entitlement of personnel to the Mid-Year Bonus under Item 5.0 hereof shall be strictly observed.

6.2 If funds are insufficient, the Mid-Year Bonus may be granted at lower rates but at a uniform percentage of the monthly basic pay as of May 15 of the current year.

#### **7.0 Mid-Year Bonus for Personnel of LGUs**

The grant of the Mid-Year Bonus to personnel of provinces, cities, municipalities and barangays shall be determined by their respective *sanggunian*, subject to the following considerations:

7.1 The provisions on the entitlement/non-entitlement of personnel to the Mid-Year Bonus under Item 5.0 hereof shall be strictly observed.

7.2 The Personnel Services limitation in LGU budgets under Sections 325(a) and 331(b) of RA No. 7160 or the Local Government Code of 1991, shall be complied with.

7.3 If funds are insufficient, the Mid-Year Bonus may be granted at lower rates but at a uniform percentage of the monthly basic pay as of May 15 of the current year.



## **8.0 Fund Sources**

- 8.1 The amounts required for the grant of FY 2017 Mid-Year Bonus to personnel of National Government Agencies (NGAs) shall be charged against the agency-specific allocation for the payment of Mid-Year Bonus under the FY 2017 GAA.
  - 8.1.1 The funding requirement for the FY 2017 Mid-Year Bonus has been comprehensively released to the agencies through the GAA as Allotment Order pursuant to National Budget Circular No. 567 dated January 3, 2017. Likewise, the corresponding Notice of Cash Allocation (NCA) to cover the Mid-Year Bonus of agency personnel has been included in the comprehensive release of NCAs covering the first semester cash requirements.
  - 8.1.2 For succeeding years, the amounts shall be included in the respective agency budgets, and released, subject to applicable budgeting rules and regulations.
- 8.2 The amounts required for the payment of Mid-Year Bonus to casual and contractual personnel in NGAs whose salaries and wages are drawn from the lump-sum appropriations for non-itemized positions shall be sourced from the said agency lump-sum appropriations. If funds are insufficient, the deficiency may be charged against the Miscellaneous Personnel Benefits Fund, subject to the submission of Special Budget Request which includes the list of DBM-authorized contractual and casual positions and other information in the prescribed form attached as Annex "A".
- 8.3 For covered GOCCs, the amounts required to implement the Mid-Year Bonus shall be charged against their approved corporate operating budgets (COBs), provided that the national government shall not release funds for compensation adjustment or any related expenditures, provided further that the GOCCs shall not resort to borrowings for the purpose, and provided furthermore, that the performance targets in their DBM-approved COBs are met and their programs/projects for the year are not adversely affected.
- 8.4 For LGUs, the amounts required to implement the Mid-Year Bonus shall be charged against their respective local government funds, subject to the Personnel Services limitation in LGU budgets pursuant to Sections 325 (a) and 331(b) of RA No. 7160.

## **9.0 Responsibility of Agencies**

Agencies shall be responsible for the proper implementation of the provisions of this Circular. The responsible officers shall be held liable for any payment of Mid-Year Bonus not in accordance with the provisions of this Circular, without prejudice to the refund by the employees concerned of any excess or unauthorized payments.

## **10.0 Resolution of Cases**

Cases not covered by the provisions of this Circular shall be referred to the DBM for resolution.

## **11.0 Effectivity**

This Circular shall take effect immediately.

  
**BENJAMIN E. DIOKNO**  
*Secretary*





## Annex A

|                            |              |                         |           |                                                                                                            |                    |
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| Department:                |              | Agency:                 |           | Particulars:<br><div><input type="checkbox"/> Contractual</div> <div><input type="checkbox"/> Casual</div> |                    |
| Position Title             | Salary Grade | Monthly Salary          | Incumbent | Date of Appointment                                                                                        | Performance Rating |
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| Prepared by:               |              | Approved by:            |           | Date:                                                                                                      |                    |
| _____<br>Personnel Officer |              | _____<br>Head of Agency |           | _____                                                                                                      |                    |