



GCG MEMORANDUM CIRCULAR NO. 2013 – 05 (RE-ISSUED)

SUBJECT : 2013 INTERIM PERFORMANCE-BASED BONUS (PBB)

DATE : 07 February 2014

1. **BACKGROUND AND PURPOSE.** – Executive Order No. 80, s. 2012 (E.O. No. 80),¹ was issued to, among others, provide incentives that support and encourage performance-driven, productive and efficient GOCCs. The PBB System for GOCCs is an integral part of the Compensation and Position Classification System (CPCS) mandated by the “*Governance Act of 2011*” (R.A. No. 10149),² which will be submitted to the President for approval during the fourth quarter of 2013. Accordingly, this Circular providing for an Interim PBB for CY 2013 has been issued in order to give more time for the proper implementation of the CPCS and its PBB component.
2. **PRODUCTIVITY ENHANCEMENT INCENTIVE (PEI).** – The PEI, as determined by the Department of Budget and Management (DBM), shall be granted across-the-board to covered Officers and Employees among the GOCCs covered by R.A. No. 10149 and shall be distributed at the same time as the National Government Agencies, as provided in the particular DBM Circular.
3. **ELIGIBILITY OF A GOCC TO GRANT THE PBB.** – The grant of PBB shall be based on the overall company performance, and then distributed to individual Officers and Employees based on their performance ranking. Pursuant to the “*Performance Evaluation System for the GOCC Sector*” (GCG MC No. 2013-02), a GOCC, in order to be eligible to grant PBB to its qualified Officers and Employees, must:
 - 3.1. Achieve a *weighted-average score of at least 90%* on its 2013 Performance Scorecard; and
 - 3.2. Comply with the Good Governance Conditions provided in GCG MC No. 2013-02, to wit:

Conditions Common to National Government Agencies and GOCCs:

- (a) Transparency Seal;
- (b) PhilGEPS Posting;
- (c) Cash Advance Liquidation;
- (d) Citizen’s Charter or its equivalent; and

¹Entitled “DIRECTING THE ADOPTION OF A PERFORMANCE-BASED INCENTIVE SYSTEM FOR GOVERNMENT EMPLOYEES.”

²See Sec. 10, R.A. No. 10149.

- (e) Government Quality Management System Standards (GQMSS) pursuant to E.O. No. 605, s. 2007; and
- (f) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Net Worth (SALN).³

Conditions Specific to GOCCs Covered by R.A. No. 10149:

- (a) The GOCC has satisfied all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
- (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
- (c) Adoption of a "Manual of Corporate Governance" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website, to wit: x x x
- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07, to wit: x x x
- (e) Adoption of a No Gift Policy approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07, to wit: x x x

4. **COVERAGE.**⁴ – Officers and Employees who occupy regular, casual or contractual positions shall be entitled to PEI and PBB, *provided* they have rendered at least nine (9) months of service for the year ending 31 December 2013.

4.1. **Exclusions.** – Excluded from the grant of the PEI and PBB are those hired without employer-employee relationships and paid from non-Personal Services appropriations/budgets as follows:

- (a) Consultants and experts hired to perform specific activities or services with expected outputs;
- (b) Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
- (c) Student laborers and apprentices;
- (d) Individuals and groups of people whose services are engaged

³See CIVIL SERVICE COMMISSION MEMORANDUM CIRCULAR No. 3, s. 2013.

⁴Adopted from DBM Circular No. 2011-04 entitled "Guidelines on the Grant of Productivity Enhancement Incentive (PEI) to Government Employees for Fiscal Year (FY) 2011 (05 December 2011)