



## **GCG MEMORANDUM CIRCULAR NO. 2014 – 05 (Re-Issued)**

**SUBJECT : 2014 INTERIM PERFORMANCE-BASED BONUS (PBB)**

**DATE : 22 January 2015**

1. **BACKGROUND AND PURPOSE.** – This Circular has been issued to establish the rules and regulations for the grant of the Interim Performance-Based Bonus (PBB) for CY 2014 to qualified GOCC Officers and Employees pursuant to Executive Order No. 80, s. 2012 (E.O. No. 80),<sup>1</sup> pending the approval by the President of the **COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS)**, mandated under the “GOCC Governance Act of 2011” (R.A. No. 10149).
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<sup>2</sup> of 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 (Re-Issued)], 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% in its 2014 Performance Scorecard; and
  - 3.2. Comply with the Good Governance Conditions provided in GCG MC No. 2013-02 and 2014-02,<sup>3</sup> 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;
- (e) Government Quality Management System Standards (GQMSS) pursuant to E.O. No. 605, s. 2007; and

<sup>1</sup> E.O. No. 80, entitled “Directing the Adoption of a Performance-Based Incentive System for Government Employees,” was issued to, among others, provide incentives that support and encourage performance-driven, productive and efficient GOCCs.

<sup>2</sup> See Section 4.1.

<sup>3</sup> Policies and Guidelines on the Integrated Corporate Reporting System (ICRS) for the GOCC Sector.

- (f) Compliance with submission and review of SALN of officials and employees.<sup>4</sup>

**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) Maintain/update and implement the GOCC's "*Manual of Corporate Governance*" and "*No Gift Policy*" approved by the GCG and uploaded on the GOCC's website pursuant to the "*Code of Corporate Governance for GOCCs*" (GCG MC No. 2012-07); and
- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.

- 4. COVERAGE.**<sup>5</sup> – Officers and Employees who occupy regular, casual or contractual positions shall be entitled to full grant of the PBB from their employer at the time of the payout of the PBB, provided they have rendered at least an aggregate of nine (9) months of service in the public sector for the year ending 31 December 2014. Officers and Employees who do not meet the 9-month service requirement but have served at least 3 months of service shall be entitled to PBB on a pro-rata basis pursuant to IATF Circular No. 2014-3.

**4.1. Exclusions.** – Excluded from the grant of the PBB are the following:

- 4.1.1. 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; and
  - (d) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.
- 4.1.2. Personnel found guilty of administrative and/or criminal cases related to their work.

<sup>4</sup> See Civil Service Commission Memorandum Circular No. 3, s. 2013.

<sup>5</sup> Adopted 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)*".