



06 June 2016

**HON. ANDRES F. IBARRA**

*Acting Chairman and Administrator*

**LOCAL WATER UTILITIES ADMINISTRATION (LWUA)**

Katipunan Ave., Balara

Quezon City

**RE: GRANT OF MID-YEAR AND YEAR-END BONUSES**

Dear Administrator Ibarra,

This refers to your letter dated 25 May 2016,<sup>1</sup> seeking for authority from the Governance Commission to perform the following consequent actions:

1. Stay the one-half (1/2) of the Year-End Bonus and ₱2,500 cash gift released by [LWUA] last 15 May 2016;
2. Release in 15 November 2016 or later the entire remaining one-half (1/2) of the Year-End Bonus equivalent to one-half (1/2) of the basic salary as of 31 October on the assumption of the stay of the ₱2,500 cash gift released last 15 May 2016; and
3. Immediately grant and release the Mid-Year Bonus equivalent to one (1) month basic pay as of 15 May 2016.

The Governance Commission has issued the Compensation and Position Classification System (CPCS) Implementing Circular No. 2016-01<sup>2</sup> on the grant of the Mid-Year Bonus and Year-End Bonus under Executive Order (E.O.) No. 203, s. 2016.<sup>3</sup> Hence, the LWUA shall grant the Mid-Year Bonus (MYB) and Year-End Bonus (YEB) to qualified Officers and Employees in accordance with the CPCS Implementing Circular No. 2016-01. Under E.O. No. 203, the Cash Gift is not included among the compensation items.

If LWUA has already released ½ of the YEB and Cash Gift, then LWUA should reconcile its disbursement pursuant to the said CPCS Circular. LWUA may release the differential amount so that the Mid-Year Bonus shall be equivalent to one (1) month basic pay.

We would like to remind the LWUA Governing Board of its responsibility pursuant to Section 7 of the CPCS Implementing Circular 2016-01, to wit:

The GOCCs, acting through their Governing Boards, shall be responsible for the proper implementation of this Circular. The responsible officer shall be held liable for any payment not in accordance with the provisions of this Circular, without prejudice

<sup>1</sup> Officially received by the Governance Commission on 26 May 2016.

<sup>2</sup> *Grant of Mid-Year Bonus and Year-End Bonus under Executive Order No. 203, s. 2016.*

<sup>3</sup> *Adopting a Compensation and Position Classification System (CPCS) and a General Index of Occupational Services (IOS) for the GOCC Sector Covered by Republic Act No. 10149, and for Other Purposes.*

to the refund by the employees concerned of any excess or unauthorized payments.

**FOR YOUR INFORMATION AND GUIDANCE.**

Very truly yours,  
**BY AUTHORITY OF THE COMMISSION**



**CESAR L. VILLANUEVA**  
*Chairman*



**MA. ANGELA E. IGNACIO**  
*Commissioner*



**RAINIER B. BUTALID**  
*Commissioner*

**Cc: COA Resident Auditor - LWUA**