GCG MEMORANDUM CIRCULAR NO. 2017 – 04

SUBJECT : GRANT OF YEAR-END BONUS AND CASH GIFT FOR FY 2017

DATE : 09 NOVEMBER 2017

1. LEGAL BASIS – On 28 July 2017, Executive Order (E.O.) No. 36, s. 2017 was issued, which suspended the implementation of the CPCS and the IOS Framework for the GOCC Sector under E.O. No. 203, s. 2016, and providing for an interim compensation framework for SSL-Covered and SSL-Exempt GOCCs, which includes the grant of Year-End Bonus and Cash Gift to eligible GOCC officers and employees. Pursuant to E.O. No. 36, the Governance Commission issued its Implementing Rules and Regulations (IRR) under GCG Memorandum Circular (M.C.) No. 2017-03.

This Circular is then being promulgated to provide the guidelines on the grant of the Year-End Bonus and Cash Gift for FY 2017 as provided for by E.O. No. 36 and other applicable laws.

2. COVERAGE. – This Circular shall apply to all Officers and Employees of GOCCs within the coverage of R.A. No. 10149.

Excluded from the coverage are those individuals hired by GOCCs without employer-employee relationships and/or those whose compensation is not sourced from Personal Services appropriations/budgets of their respective GOCCs, as follows:

(a) Members of the Governing Board;
(b) Consultants and experts hired to perform specific activities or services with expected outputs;
(c) Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
(d) Student laborers and apprentices; and
(e) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

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1 Suspending the Compensation and Position Classification System Under Executive Order No. 203 (s. 2016), Providing for Interim Compensation Adjustments, and for Other Purposes.
2 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.
3 R.A. No. 6686, as amended by R.A. No. 8441.
3. **Grant of Year-End Bonus and Cash Gift.**

3.1. The **Year-End Bonus**, which is equivalent to one (1) month authorized basic pay as of October 31, 2017, and **Cash Gift** of ₱5,000 shall be given to the qualified employee not earlier than November 15 of the current year.

3.1.1. For GOCCs with approved applications to adopt the Modified Salary Schedule under E.O. No. 36, the one (1) month authorized basic pay shall be based on the rates under Section 8.1 of GCG M.C. No. 2017-03; and

3.1.2. For GOCCs without approved applications to adopt the Modified Salary Schedule under E.O. No. 36 upon the issuance of this circular, the one (1) month authorized basic pay shall be based on their current compensation framework. Provided, That qualified employees shall also be entitled to the difference, if any, of the Year-End Bonus once the application to adopt the Modified Salary Schedule under E.O. No. 36 has been approved by the GCG.

3.2. The grant of the **Year-End Bonus** and **Cash Gift** as provided in Section 3.1 above shall be subject to the following conditions:

3.2.1. The GOCC personnel has rendered at least a total or an aggregate of four (4) months of service, whether continuous or intermittent, including leaves of absence with pay, from January 01 to October 31 of the current year; and

3.2.2. The GOCC personnel remains to be in government service as of October 31 of the same year.

3.3. Those employees who have rendered at least a total or an aggregate of four (4) months of service from January 01 of the current year but who have retired or separated from government service before October 31 of the same year shall be granted within the month of retirement or separation, a pro-rated share of the: (a) Year-End Bonus based on the monthly basic pay immediately preceding the date of retirement or separation; and (b) Cash Gift of ₱5,000, as follows:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Percentage of the Year-End Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 months but less than 5 months</td>
<td>50%</td>
</tr>
<tr>
<td>5 months but less than 6 months</td>
<td>60%</td>
</tr>
<tr>
<td>6 months but less than 7 months</td>
<td>70%</td>
</tr>
<tr>
<td>7 months but less than 8 months</td>
<td>80%</td>
</tr>
<tr>
<td>8 months but less than 9 months</td>
<td>90%</td>
</tr>
<tr>
<td>9 months but less than 10 months</td>
<td>95%</td>
</tr>
</tbody>
</table>

3.4. Those who have rendered a total or an aggregate of less than four (4) months of service from January 1 to October 31 of the current year and are still in government service as of October 31 of the same year, shall be
entitled solely to a pro-rated Cash Gift pursuant to Section 2 of R.A. No. 8441, as follows:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Percentage of P5,000</th>
<th>Corresponding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months but less than 4 months</td>
<td>40%</td>
<td>P 2,000</td>
</tr>
<tr>
<td>2 months but less than 3 months</td>
<td>30%</td>
<td>1,500</td>
</tr>
<tr>
<td>1 month but less than 2 months</td>
<td>20%</td>
<td>1,000</td>
</tr>
<tr>
<td>Less than one month</td>
<td>10%</td>
<td>500</td>
</tr>
</tbody>
</table>

3.5. The Year-End Bonus and Cash Gift 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.

3.6. The Year-End Bonus and Cash Gift of personnel on detail with another government agency shall be paid by the parent agency, while those on secondment shall be paid by the recipient agency.

3.7. The Year-End Bonus and Cash Gift of Officers and Employees who transferred from one agency to another shall be granted by the new agency.

3.8. A compulsory retiree on service extension may be granted the Year-End Bonus and Cash Gift subject to the pertinent guidelines herein.

4. **For SSL-Exempt GOCCs.** — The Year-End Bonus provided herein shall be in lieu of the bonuses, allowances or incentives of similar nature that the GOCCs receive under their current compensation framework.

5. **Personnel Charged with Administrative and/or Criminal Cases.** —

   5.1. Employees formally charged administrative and/or criminal cases which are still pending for resolution, shall be entitled to the Year-End Bonus and Cash Gift until found guilty by final and executory judgment, provided that:

   5.1.1. Those employees found guilty shall not be entitled to the Year-End Bonus and Cash Gift in the year of finality of the decision. Any bonus received shall be refunded by the employee.

   5.1.2. If the penalty meted out is only a reprimand, the employee concerned shall be entitled to the Year-End Bonus and Cash Gift.

6. **Funding Sources.** — The funding for the payment of the Year-End Bonus and Cash Gift shall be charged by GOCCs to their respective approved corporate operating budgets (COBs). However, it shall be prohibited to source the payment of the said bonuses from the following:

   (a) Loans;

   (b) Subsidy from the National Government for the GOCC’s operations, except for subsidy income or subsidy given by Department of
Budget and Management *precisely for the payment of the Year-End Bonus*; and

(c) Sale of the GOCC's asset(s) for the sole purpose of paying the bonuses and is otherwise not in the ordinary course of business.

7. **Responsibility of the GOCCs.** — 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 to the refund by the employees concerned of any excess or unauthorized payments.

8. **Repealing Clause.** — All other GCG orders, circulars, issuances, and decisions, as well as Board resolutions, or parts of the foregoing, which are inconsistent with this Memorandum Circular are hereby repealed or modified accordingly.

9. **Effectivity Clause.** — This Circular shall take effect immediately upon its publication in the Commission's website www.gcg.gov.ph.

Samuel G. Dacpin, Jr.
Chairman

Michael P. Cloribel
Commissioner

Marites C. Doral
Commissioner