CPCS CIRCULAR NO. 2021-013

SUBJECT : GRANT OF EXTRAORDINARY AND MISCELLANEOUS EXPENSES (EME)

DATE : 12 JAN 2022

1. **LEGAL BASES.** – Executive Order (E.O.) No. 150, s. 2021 approved the Compensation and Position Classification System (CPCS) and the Index of Occupational Services, Position Titles, And Job Grades for GOCCs (IOS-G) Framework.

   Section 5 of the said E.O. provides that "[t]he existing compensation granted by GOCCs to its officers and employees shall be standardized in accordance with the CPCS approved under this Order."

   Under Section VII of the CPCS as attached to E.O. No. 150, officers and employees of GOCCs may be entitled to certain indirect compensation, including Extraordinary and Miscellaneous Expenses (EME), based on the prescribed rates, guidelines and regulations to be promulgated by the GCG based on applicable compensation laws and issuances for National Government Agencies.

   This Implementing Circular is being promulgated pursuant to the above directive.

2. **COVERAGE.** – This Circular shall apply to the officers and employees, whether regular, contractual or casual in nature, of GOCCs and their subsidiaries covered under Republic Act (R.A.) No. 10149.¹

3. **EXCLUSIONS.** – The following are excluded from the coverage of this Implementing Circular:

   3.1. Officers and employees of GOCCs with approved abolition or deactivation orders;²

   3.2. 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

¹ GOCC Governance Act of 2011.
² Section 1, E.O. No. 150, s.2021.
(e) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

4. **Grant of EME.**

4.1. The maximum annual rate of Extraordinary Expenses (EE) for positions under the executive band are as follows:

<table>
<thead>
<tr>
<th>Annual EE (P)</th>
<th>Position Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>108,000.00</td>
<td>Head of GOCC</td>
</tr>
<tr>
<td>60,000.00</td>
<td>Other Executive Band Positions in the GOCC</td>
</tr>
</tbody>
</table>

4.2. In addition, the office occupied by positions under the executive band are authorized to an annual miscellaneous expense not exceeding ₱90,000.00.

4.3. The EME shall cover expenses incurred, but not limited, for:
   (a) Meetings, seminars, and conferences;
   (b) Official entertainment;
   (c) Public relations;
   (d) Educational, athletic and cultural activities;
   (e) Contributions to civic or charitable institutions;
   (f) Membership in government associations;
   (g) Membership in national professional organizations duly accredited by the Professional Regulation Commission;
   (h) Membership in the Integrated Bar of the Philippines;
   (i) Subscription to professional technical journals and informative magazines, library books and materials;
   (j) Office equipment and supplies; and
   (k) Other similar expenses not supported by the regular budget allocation.

4.4. In case of deficiency, the requirement for the enumerated purposes shall be charged against available allotments of the GOCC concerned. No portion of the amounts authorized herein shall be used for the payment of salaries, allowances and other benefits, and confidential and intelligence expenses.

4.5. The entitlement to EME shall be on strictly non-commutable or reimbursement basis, subject to budgeting and auditing rules and regulations.3

5. **Funding Sources.** – The funding for the payment of the EME 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 grant from the following:
   (a) Loans; and
   (b) Sale of the GOCC’s asset(s) for the sole purpose of paying the EME; and
   (c) Other schemes analogous to the foregoing.

3 COA Circular No. 89-300
Furthermore, the GOCCs shall not increase their service fees for the purpose of augmenting any deficiencies in the amounts prescribed herein, and neither shall the grant of EME adversely affect the implementation of programs/projects, as well as the attainment of performance targets.

6. **Responsibility of the GOCCs.** – The GOCCs, acting through their Governing Boards, shall be responsible for the proper implementation of this Circular, without prejudice to the refund by the employees concerned of any excess or unauthorized payments.

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

8. **Resolution of Cases.** – Cases not covered by this Circular shall be referred to the GCG for resolution.

9. **Effectivity Clause.** – This Circular shall take effect immediately upon its publication in the GCG’s website, www.gcg.gov.ph and upon receipt of a formal copy by the University of the Philippines – Office of the National Administrative Registrar (UP-ONAR).

[Signatures and seals]