CPCS CIRCULAR NO. 2021-001

SUBJECT : GRANT OF YEAR-END BONUS AND CASH GIFT

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 Chapter VI(B)(1) of the CPCS, officers and employees of GOCCs shall be entitled to standard allowances and benefits, including the Year-End Bonus (YEB) and the Cash Gift “based on the prescribed rates, guidelines, and regulations to be promulgated by the GCG.”

This Circular is being issued pursuant to the above directive.

2. **COVERAGE.** – This Circular shall apply to all 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 Circular:

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

   3.2. Individuals hired by GOCCs without an employer-employee relationship 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 or contracts of service, and others similarly situated.

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1 GOCC Governance Act of 2011.
2 Section 1, E.O. No. 150, s.2021.
3.3. Those who are formally charged administrative cases as well as criminal cases which relate to acts or omissions in connection with their official duties and functions and found guilty and/or meted penalties, subject to Item 6 hereof.

4. **GRANT OF YEAR-END BONUS (YEB) AND CASH GIFT.**

4.1. The YEB, which is equivalent to one (1) month basic pay as of October 31 of the current year, and Cash Gift of ₱5,000 shall be given to a qualified employee or officer not earlier than November 15 of the same year, subject to the following conditions:

4.1.1. The employee or officer 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 1 to October 31 of the current year;

4.1.2. The employee or officer remains in government service as of October 31 of the same year.

4.2. Those officers or employees who have rendered at least a total or an aggregate of four (4) months of service from January 1 of the current year but 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) YEB 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 YEB and Cash Gift</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 4 months but less than 5 months</td>
<td>50%</td>
</tr>
<tr>
<td>At least 5 months but less than 6 months</td>
<td>60%</td>
</tr>
<tr>
<td>At least 6 months but less than 7 months</td>
<td>70%</td>
</tr>
<tr>
<td>At least 7 months but less than 8 months</td>
<td>80%</td>
</tr>
<tr>
<td>At least 8 months but less than 9 months</td>
<td>90%</td>
</tr>
<tr>
<td>At least 9 months but less than 10 months</td>
<td>95%</td>
</tr>
</tbody>
</table>

4.3. 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 ₱5,000</th>
<th>Corresponding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 3 months but less than 4 months</td>
<td>40%</td>
<td>₱2,000</td>
</tr>
</tbody>
</table>

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3 An Act Increasing the Cash Gift to Five Thousand Pesos (₱5,000), Amending for the Purpose Certain Sections of Republic Act Numbered Six Thousand Six Hundred Eighty-Six, and For Other Purposes.
### Length of Service

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Percentage of P5,000</th>
<th>Corresponding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 2 months but less than 3 months</td>
<td>30%</td>
<td>1,500</td>
</tr>
<tr>
<td>At least 1 months 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>

4.4. The YEB and Cash Gift of officers or employees 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.

4.5. The YEB and Cash Gift of officers or employees on detail with another government agency shall be paid by the parent agency, while those on secondment shall be paid by the recipient agency.

4.6. The YEB and Cash Gift of officers or employees who transferred from one agency to another shall be granted by the new agency.

4.7. A compulsory retiree on service extension may be granted the YEB subject to the pertinent guidelines herein.

5. **GOCCs with Pending Authorization to Adopt the CPCS.** – For GOCCs without an approved authorization to adopt the CPCS under E.O. No. 150, the one (1) month authorized basic pay shall be based on their compensation framework as of the time of payout. *Provided, however,* that qualified employees and officers shall be entitled to the difference, if any, of the YEB once the authorization to adopt the CPCS has been received by the GOCC.

6. **Officers and Employees Charged with Administrative and/or Criminal Cases.**

6.1. Officers and employees formally charged with administrative and/or criminal cases which are still pending resolution, shall be entitled to the YEB and Cash Gift until found guilty by final and executory judgment, provided that:

6.1.1. Those officers and employees found guilty shall not be entitled to the YEB and Cash Gift in the year the decision became final and executory. The officers and employees shall refund the YEB and Cash Gift received for that year;

6.1.2. If the penalty meted out is only a reprimand, the officer and employee shall be entitled to the YEB and Cash Gift.

7. **Funding Sources.** – The funding for the payment of the YEB and Cash Gift shall be charged by GOCCs to their respective approved corporate operating budget (COBs). However, it shall be prohibited to source the payment for said benefits from the following:

(a) Loans;
(b) Sale of the GOCC’s asset(s) for the sole purpose of paying the YEB and Cash Gift; and

(c) Other schemes analogous to the foregoing.

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 YEB and Cash Gift adversely affect the implementation of programs/projects, as well as the attainment of performance targets.

8. **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.

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

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

11. **Effectivity Clause.** – This Circular shall take effect immediately upon its publication in the Official Gazette or in a newspaper of general circulation, and upon receipt of a formal copy by the University of the Philippines – Office of the National Administrative Registrar (UP-ONAR).

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**Samuel G. Daspin Jr.**
Chairman

**Michael P. Cloribel**
Commissioner

**Carlos G. Dominguez**
DOF Secretary

**Tina Rose Marie L. Canda**
OIC, DBM

**Marites Cruz Doral**
Commissioner

[Digital signatures and timestamps are present but not transcribed here.]