



CPCS CIRCULAR NO. 2021-008

SUBJECT : GRANT OF PRODUCTIVITY ENHANCEMENT INCENTIVE (PEI)

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 as attached to E.O. No. 150, officers and employees of GOCCs shall be entitled to incentives, including the Productivity Enhancement Incentive (PEI), the prescribed rates, guidelines, and regulations thereof “shall be promulgated by the GCG based on the applicable standardized compensation laws and issuances for National Government Agencies.”

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 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.

¹ GOCC Governance Act of 2011.

² Section 1, E.O. No. 150, s.2021.