



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.

4. GRANT OF PRODUCTIVITY ENHANCEMENT INCENTIVE (PEI).

- 4.1. The PEI of ₱5,000 shall be given to qualified officers and employees not earlier than December 15 of the current year, subject to the following conditions:
- 4.1.1. The officer or employee remains in government service as of November 30 of the current year;
- 4.1.2. The officer or employee has rendered at least a total or an aggregate of four (4) months of at least satisfactory service as of November 30 of the current year, whether continuous or intermittent, including leaves of absence with pay.
- 4.2. Those who have rendered a total or an aggregate of less than four (4) months of service but are still in government service as of November 30 of the current year, shall be entitled to pro-rated PEI, as follows:

Length of Service	Percentage of ₱5,000
3 months to less than 4 months	50%
2 months to less than 3 months	40%
1 months to less than 2 months	30%
Less than one month	20%

- 4.3. The PEI of personnel hired on part-time service shall be pro-rated corresponding to the services rendered. If employed on part-time basis with two (2) or more agencies, the personnel shall be entitled to proportionate amounts corresponding to the services in each agency, provided that the total PEI shall not exceed the authorized amount.
- 4.4. The PEI of personnel on detail with another government agency shall be granted by the parent agency.
- 4.5. The PEI of personnel who transferred from one agency to another shall be granted by the new agency.
- 4.6. A compulsory retiree on service extension as of November 30 of the current year may be granted the PEI, subject to the pertinent guidelines herein.

5. OFFICERS AND EMPLOYEES CHARGED WITH ADMINISTRATIVE AND/OR CRIMINAL CASES.

- 5.1. Officers and employees formally charged with administrative and/or criminal cases which are still pending resolution, shall be entitled to the PEI, provided that:
- 5.1.1. Those officers and employees found guilty by final and executory judgment shall not be entitled to the PEI in the year of finality of the decision. In cases where the PEI has already been released, the officer or employee shall return the PEI received for that year;

5.1.2. If the penalty meted out is only a reprimand, the officer and employee shall be entitled to the PEI.

6. **FUNDING SOURCES.** – The funding for the payment of the PEI 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 incentive from the following:

- (a) Loans; and
- (b) Sale of the GOCC's asset(s) for the sole purpose of paying the PEI; 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 PEI adversely affect the implementation of programs/projects, as well as the attainment of performance targets.

7. **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.

8. **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.

9. **RESOLUTION OF CASES.** – Cases not covered by this Circular shall be referred to the GCG for resolution.

10. **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).

SAMUEL G. DAGPIN JR.
Chairman

MICHAEL P. CLORIBEL
Commissioner

MARITES CRUZ-DORAL
Commissioner

CARLOS G. DOMINGUEZ
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