



Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



CPCS IMPLEMENTING CIRCULAR NO. 2016 – 01 (3RD ISSUE)

**SUBJECT : GRANT OF MID-YEAR BONUS AND YEAR-END BONUS
for FY 2017**

DATE : 11 MAY 2017

1. **LEGAL BASES** – The COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) and the GENERAL INDEX OF OCCUPATIONAL SERVICES, POSITION TITLES AND PAY GRADES (IOS) FOR THE GOCC SECTOR mandated by Republic Act (R.A.) No. 10149¹ were approved by H.E. President Benigno S. Aquino III under Executive Order (E.O.) No. 203, s. 2016.²

Under Section 3 of E.O. No. 203, the “CPCS shall be implemented and administered by GCG, and supplemented with the necessary implementing rules and guidelines . . . taking into consideration prevailing practices in the private sector and the principles provided in the CPCS and in this Order.”

Among the items which are part of the Compensation System under the CPCS that shall be granted to Officers and Employees of the GOCC Sector covered by R.A. No. 10149, are the Fixed Bonuses, namely:

- (a) Mid-Year Bonus; and
- (b) Year-End Bonus.

which have also been granted under E.O. No. 201, s. 2016, to officers and employees within the National Government and GOCCs not covered by R.A. No. 10149.

This Circular is being issued in the interim pursuant to Section 3 of E.O. No. 203, to provide for the implementing rules and guidelines on the grant of the CPCS Fixed Bonuses.

2. **COVERAGE**. – This Circular shall apply to all Officers and Employees of GOCCs within the coverage of R.A. No. 10149, and their entitlement shall be effective as of the time of the effectivity of E.O. No. 203, which was on 29 March 2016.³

Excluded from the coverage are those individuals hired by GOCCs without employer-employee relationships and/or those whose compensation is not

¹ GOCC Governance Act of 2011.

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 E.O. No. 203 was published in *The Manila Bulletin* 29 March 2016.

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.

3. GRANT OF MID-YEAR BONUS. –

- 3.1. The Mid-Year Bonus, which is equivalent to one (1) month basic pay as of May 15 shall be given to the qualified employee not earlier than May 15 of the current year.
- 3.2. It shall be granted to each employee who 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 July 01 of the immediately preceding year and are still in the service as of May 15 of the current year.
- 3.3. The employee has obtained at least a satisfactory performance rating in the immediately preceding rating period, or the applicable performance appraisal period. If there is a need for a shorter period, it shall be at least ninety (90) calendar days or three (3) months, provided that the total or aggregate service under Item 3.2 hereof is complied with.
- 3.4. Those employees who have rendered a total or an aggregate of less than four (4) months of service from July 01 of the preceding year to May 15 of the current year, and those who are no longer in the service as of the latter date, shall not be entitled to the Mid-Year Bonus.
- 3.5. The Mid-Year Bonus of personnel who transferred from one agency to another shall be granted by the new agency.
- 3.6. A compulsory retiree on service extension may be granted the Mid-Year Bonus, subject to the pertinent guidelines herein.

4. GRANT OF YEAR-END BONUS. –

- 4.1. The Year- End Bonus, which is equivalent to one (1) month basic pay as of October 31 shall be given to the qualified employee not earlier than November 15 of the current year.
- 4.2. It shall be granted to each employee who 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.

- 4.3. 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 Year-End Bonus based on the monthly basic pay immediately preceding the date of retirement or separation, as follows:

Length of Service	Percentage of the Year-End Bonus
4 months but less than 5 months	50%
5 months but less than 6 months	60%
6 months but less than 7 months	70%
7 months but less than 8 months	80%
8 months but less than 9 months	90%
9 months but less than 10 months	95%

- 4.4. The Year-End Bonus of Officers and Employees who transferred from one agency to another shall be granted by the new agency.
- 4.5. A compulsory retiree on service extension may be granted the Year-End Bonus subject to the pertinent guidelines herein.

5. PERSONNEL CHARGED WITH ADMINISTRATIVE AND/OR CRIMINAL CASES. –

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

5.1.1. Those employees found guilty shall not be entitled to Mid-Year Bonus and Year-End Bonus 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 Mid-Year Bonus and Year-End Bonus.

- 6. FUNDING SOURCES. –** The funding for the payment of Mid-Year Bonus and Year-End Bonus 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 Mid-Year and Year-End Bonuses*; 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. DAGPIN, JR.
Chairman


MICHAEL P. CLORIBEL
Commissioner


MARITES C. DORAL
Commissioner