



GCG MEMORANDUM CIRCULAR NO. 2018 – 01

SUBJECT : AMENDMENTS TO THE INTERIM PERFORMANCE-BASED BONUS (PBB)

DATE : 31 JANUARY 2018

1. **BACKGROUND AND PURPOSE.** – This Circular has been issued to amend the guidelines on the rates of the Performance-Based Bonus (PBB) for officers and employees of the GOCCs covered by R.A. No. 10149 as provided under GCG Memorandum Circular (M.C.) No. 2017-01¹.
2. **LEGAL BASIS.** – Pursuant to the Memorandum from the Executive Secretary dated 24 January 2018², the PBB rates shall be harmonized with those of the National Government Agencies, using the rates prescribed by the Inter-Agency Task Force under Administrative Order No. 25 (s. 2011) in relation to GCG Memorandum Circular (MC) No. 2017-01. For uniformity, the harmonization of the PBB rates of all other GOCCs pursuant to the *GCG Memorandum Circular (M.C.) No. 2017-01* shall be applied only to the FY 2017 PBB onwards.
3. **RATES OF PBB.** – Section 4.2.1. of GCG M.C. No. 2017-01³ is hereby revised as follows:

“4.2.1. PBB RATES FOR FY 2016. –

- a. **For Profitable GOCCs.** – The grant of the PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of the individual’s monthly basic salary (MBS) as of 31 December of 2016 based on the table below, but not to exceed the ceilings computed by using the same multiple to twice the basic salary of the comparable NG position as provided in **Annex A**. Thus, the PBB for Profitable GOCCs shall be distributed among its Officers and Employees for FY 2016, as follows:

Percentile	Multiple
Top: Maximum 10%	<u>2.50</u>
Next: Maximum 25%	<u>1.50</u>
Remaining: Minimum 65%	<u>1.00</u>

¹ *Interim Performance-Based Bonus*

² Officially received by the Governance Commission on 26 January 2018.

³ *Interim Performance-Based Bonus*

**The percentile of the "Top" and "Next" levels are maximum figures with the discretion on the part of the Governing Board/Management to decrease the figures and distribute them to the "Remaining" level.*

Provided, that the total cost of the PBB shall not result in a net loss for the applicable year computed before subsidy and unrealized gains/losses, and after payment of all statutory obligations and liabilities.

b. **For Losing GOCCs.** – The grant of the PBB shall also be based on the performance of the individual Officers and Employees with the following fixed rate of incentive; thus, Losing GOCCs shall distribute PBB among its Officers and Employees for FY 2016, as follows:

Percentile	<u>Amount</u>
Top: Maximum 10%	<u>25,000</u>
Next: Maximum 25%	<u>15,000</u>
Remaining: Minimum 65%	<u>7,500</u>

4.2.2. **DETERMINATION OF PROFITABILITY.** – The resulting amount following the table below, as may be applicable, shall be the basis for determining a GOCC's profitability, to wit:

Total Comprehensive Income (TCI)
Plus:
<ol style="list-style-type: none"> 1. <u>Unrealized Losses</u> 2. Disbursements of Program Subsidies treated as expenses
Less:
<ol style="list-style-type: none"> 1. Subsidies treated as revenues 2. Subsidies granted to settle tax obligations for prior years 3. <u>Unrealized Gains</u> 4. All income or dividends received from Operating Subsidiaries, regardless of accounting entry

For the 2016 PBB, the basis shall be the 2016 Audited Income Statement. However, GOCCs with negative Retained Earnings shall automatically be classified as a "Losing" GOCC regardless of the resulting figure after application of the above formula, and shall use the applicable fixed rates stated in Section 4.2.1.b. herein, unless the GOCC has been determined as profitable based on the above formula for two (2) consecutive years, inclusive of the current year.

4.2.3. **PBB FOR FY 2017 AND YEARS THEREAFTER.** – The one-time grant of the annual PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of the individual's monthly basic salary (MBS) as of 31 December of the applicable year based on the table below, unless otherwise specified by the GCG, but not lower than ₱5,000:

Percentile	PBB as % of MBS
Top: Maximum 10%	<u>65.0%</u>
Next: Maximum 25%	<u>57.5%</u>
Remaining: Minimum 65%	<u>50.0%</u>

**The percentile of the "Top" and "Next" levels are maximum figures with the discretion on the part of the Governing Board/Management to decrease the figures and distribute them to the "Remaining" level.*

Provided, that the total cost of the PBB shall not result in a net loss for the applicable year computed before subsidy and unrealized gains/losses, and after payment of all statutory obligations and liabilities."

4. **FLEXIBILITY**. – The multiples and amounts herein are intended to provide a cap on the PBB that may be distributed by a GOCC. However, nothing herein shall be construed to limit the business judgment or authority of the Governing Board, when giving due regard to the financial condition and existing policies of a particular GOCC, to reduce (a) the actual amounts to be distributed, and/or (b) the distribution rates under Section 3.
5. **SUBMISSION OF REVISED DOCUMENTS**. – The GOCCs are hereby directed to submit their revised PBB Form 1 and Forms 3a and 3b for FY 2016, reflecting the revised rates herein provided on or before 31 March 2018.
6. **EFFECTIVITY**. – This Circular shall take effect immediately upon its publication in the Commission's website at www.gcg.gov.ph.

SAMUEL G. DAGPIN, JR.
Chairman


MICHAEL P. CLORIBEL
Commissioner


MARITES C. DORAL
Commissioner

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MAXIMUM AMOUNT FOR PBB FOR PROFITABLE GOCCS

	Salary Grade	Top (2.5x)	Next (1.5x)	Remaining (1.0x)	Below Satisfactory
Clerical/ General Staff	1	45,000	27,000	18,000	0
	2	48,375	29,025	19,350	0
	3	52,005	31,203	20,802	0
	4	55,905	33,543	22,362	0
	5	60,095	36,057	24,038	0
	6	64,605	38,763	25,842	0
	7	69,450	41,670	27,780	0
	8	74,655	44,793	29,862	0
	9	80,255	48,153	32,102	0
Professional and Supervisory (SG10-25)	10	86,275	51,765	34,510	0
	11	92,745	55,647	37,098	0
	12	99,700	59,820	39,880	0
	13	107,180	64,308	42,872	0
	14	115,220	69,132	46,088	0
	15	124,435	74,661	49,774	0
	16	134,390	80,634	53,756	0
	17	145,140	87,084	58,056	0
	18	156,755	94,053	62,702	0
	19	169,295	101,577	67,718	0
	20	182,835	109,701	73,134	0
Middle Management (SG 21-26)	21	197,465	118,479	78,986	0
	22	213,260	127,956	85,304	0
	23	230,320	138,192	92,128	0
	24	248,750	149,250	99,500	0
	25	268,650	161,190	107,460	0
	26	290,140	174,084	116,056	0
Senior Management	27	313,350	188,010	125,340	0
	28	338,420	203,052	135,368	0
	29	365,495	219,297	146,198	0
	30	394,730	236,838	157,892	0