



MEMORANDUM ORDER NO. 795
Series of 2016

TO: ALL CONCERNED

SUBJECT: Guidelines on the Grant of FY 2016 Performance-Based Bonus

DATE : 15 December 2016

In the interest of the service and pursuant to GCG Memorandum Circular No. 2015-05, the following guidelines is hereby instituted in the OSHC:

I. Background and Purpose

These guidelines have been issued pursuant to the Governance Commission for GOCCs (GCG) Memorandum Circular No. 2015-05 dated 15 July 2015, providing the 2015 Interim Performance-Based Bonus (PBB) and pursuant to Executive Order No. 80, s. 2012 (E.O. N. 80), pending the approval by the President of the Compensation and Position Classification System (CPCS), mandated under the "GOCC Governance Act of 2011" (R.A. No. 10149).

II. Eligibility for the Grant of PBB

The grant of PBB shall be based on the overall company performance, and then distributed to individual Officers and Employees based on their performance ranking. Pursuant to the "Performance Evaluation System for the GOCC Sector" (GCG MC No. 2013-02 (Re-issued), or any revised version thereof, a GOCC, in order to be eligible to grant PBB to its qualified Officers and Employees, must:

1. Achieve a weighted-average score of at least 90% in its 2016 Performance Scorecard;
2. Submit a Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the IATF or submit an Operations Manual covering selected core processes or areas of operation;
3. Comply with the Good Governance Conditions provided in GCG MC No. 201302 and 2014-02, to wit:

Conditions Common to NGAs and GOCCs:

- a. Transparency Seal;
- b. PhilGEPS Posting;
- c. Cash Advance Liquidation
- d. Citizen's Charter or its equivalent;

- e. Government Quality Management System Standards (GQMSS) pursuant to EO No. 605, s. 2007; and
- f. Compliance with the submission and review SALN (SALN).

Conditions Specific to GOCCs Covered by R.A. No. 10149:

- a. The GOCC has satisfied all statutory liabilities, including the payment of all taxes due to the Government as certified by the BIR, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable, and NG Advances as certified by the Department of Finance (DOF). Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision;
 - b. Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any;
 - c. Maintain/update and implement the GOCC's "Manual of Corporate Governance" and "No Gift Policy" approved by the GCG and uploaded on the GOCC's website pursuant to the "Code of Corporate Governance for GOCCs" (GCG MC NO. 2012-07); and
 - d. Compliance with posting on the GOCCs website the information enumerated under Section 43 of GCG MC No. 2012-07.
4. Comply with all Good Governance conditions and other reportorial requirements as validated directly by the following oversight/validating agencies:

PBB REQUIREMENT	VALIDATING AGENCY
Transparency Seal	DBM — OCIO
PhilGEPS Posting	PhilGEPS
Citizen's Charter	CSC
Submission of SALN of employees	Office of the President, Office of the Ombudsman and CSC <i>Note: The SALN validating agencies shall provide the list of SALN non-filers</i>
Report on Ageing of Cash Advances	COA
DBM Financial Reports including BFARs	DBM
PES Accomplishments	GCG
STO — accomplishments <ul style="list-style-type: none"> • QMS Certification /Operations Manual • STO identified by agency head (if applicable) 	GQMC DBM -BMB A, B, C, D, E and F; OP-OES, CHED; LWUA

GASS	
<ul style="list-style-type: none"> • Public Financial Management Reports • Submission of Financial Statements, Ageing of Cash Advances Report • BFARs • APCI • Submission of APP 	DBM COA DBM and COA GPPB — TSO GPPB — TSO
Priority Program Accomplishments (If applicable)	PMS
OP Planning Tool Accomplishments (if applicable)	OP — GCS
EODB Accomplishments (If applicable)	NCC
Agency Rating and Ranking Report	GCG

• All submissions shall be made directly with the abovementioned oversight validating agencies

5. COMMUNICATION AND INFORMATION. - The GOCC Executive Director shall confirm with the GCG and IATF the name, position and contact details (e-mail, landline, facsimile, cellular phone) of the senior officials designated as the PBB focal person and the spokesperson, respectively.

The IATF oversight/validating agencies may be contacted through the following communication channels:

- a. AO 25 Secretariat at ao25secretariat@dap.edu.ph
- b. PBIS Info Board
- c. RBPMS website www.dap.edu.ph/rbpms
- d. PCDSPO e-mail at pbb@gov.ph
- e. Text hotline (Smart: +63920.498.9121)
- f. Facebook (www.facebook.com/PBBsecretariat)
- g. Twitter: [@pbbsecretariat](https://twitter.com/pbbsecretariat)

III. Coverage

All OSHC officers and employees who occupy regular, temporary, casual or contractual positions shall be entitled to the full grant of the PBB from their employer at the time of the payout of the PBB; Provided they have rendered an aggregate of at least nine (9) months of service in the public sector for the year ending 31 December 2016. Officers and Employees who do not meet the 9-month service requirement but have served at least 3 months of service shall be entitled to PBB on a pro-rata basis.

Eligibility of Individual Officers and Employees of OSHC:

1. Employees belonging to the First and Second Levels should receive a rating of at least "Satisfactory" based on the Individual Performance Commitment Rating (IPCR);
2. Third Level officials should receive a rating of at least "Very Satisfactory" under the Career Executive Service Performance Evaluation System (CESPES). CESPES covers all incumbents of CES positions in various agencies of the national government including GOCCs with original charters, for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES;
3. Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency;
4. Personnel who transferred from one government agency to another agency shall be rated and ranked by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.
5. An employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least "Satisfactory" rating may be eligible to the full grant of the PBB.
6. An employee who rendered a minimum of three (3) months but less than nine (9) months of service and with at least "Satisfactory" rating shall be eligible for the grant of PBB on a pro-rata basis. The PBB of employees shall be pro-rated corresponding to the actual length of service rendered, as follows:

Length of Service	% of PBB
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

- a. Being a newly hired employee;
- b. Retirement;
- c. Resignation;
- d. Rehabilitation Leave;
- e. Maternity Leave and/or Paternity Leave;
- f. Vacation or Sick Leave with or without pay;
- g. Scholarship / Study Leave; and
- h. Sabbatical Leave

7. An employee who is on vacation or sick leave, with or without pay, for the entire year, is not eligible to the grant of the PBB;
8. Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2016 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
9. Officials and employees who failed to submit the 2015 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (2. 2015), shall not be entitled to the FY 2016 PBB;
10. Officials and employees who failed to liquidate Cash Advances received in 2016 within the reglementary period as stated in the prevailing COA Circular, shall not be entitled to the FY2016 PBB;
11. Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2015 SALN to the respective SALN repository agencies as prescribed in the rules provided under CSC Memorandum Circular NO. 3 (s.2015)and also liquidated 2016 Cash Advances, as this will be a basis for the release of FY2016 PBB to individuals.

IV. Exclusions. - The following are excluded from the grant of the PBB:

1. Those hired without employer-employee relationships with ECC and paid from non-Personal Services appropriations/budgets as follows:
 - a. Consultants and experts hired to perform specific activities or services with expected outputs;
 - b. Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
 - c. Student laborers and apprentices;
 - d. Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

V. Distribution System. - Distribution of PBB among qualified officers and employees of the OSHC shall be in accordance with the following procedure:

1. **Grouping of Personnel** — In determining the distribution of the PBB among qualified OSHC Officers and Employees, all personnel shall be ranked on a percentile basis within their respective levels in accordance with the following guidelines:
 - a. **Senior Management.** Refers to the Executive Officers of OSHC including all heads of functional units, which are primarily involved in the development, evolution, and approval of long-term vision across a function or area of specialization. It includes those who lead the development of function strategy, implement and maintain policies of the organization for area of responsibility.

- b. **Middle Management:** Covers those whose work is primarily achieved through others, with direct accountability for setting direction and deploying resources. Responsible for people management, including performance evaluation and pay reviews and typically hire/fire decisions. Includes individual contributors who are recognized as subject matter experts with in-depth technical knowledge, project management and significant influence skills in area of expertise.
- c. **Professional and Supervisory:** This level comprises the personnel whose work is primarily achieved by an individual or through project teams. Requires the application of expertise in professional or technical area(s) to achieve results. Typically has a university degree or equivalent work experience that provides knowledge and exposure to fundamental theories, principles and concepts. Includes supervisors and junior management that may not have full management authority.
- d. **Clerical/General Staff:** This includes all clerical, administrative and secretarial staff with little or no supervisory responsibility but who contribute independently to the organization. It also covers basic computing/data processing staff such as operators, customer service assistants and skilled craftsmen/technicians

2. Distribution for Qualified Officers and Employees

In each level provided for in the previous section, the ratings of Officers and Employees with the rate of incentive as a multiple of the individual's monthly basic salary 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 SG position as provided in **Annex A**. Thus, the PBB for profitable agency shall be distributed among its Officers and Employees for CY 2016, as follows:

Percentile	Multiple
Top: Maximum 10%	2.50
Next: Maximum 25%	1.50
Remaining: Minimum 65%	1.00

"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 CY 2016 computed before subsidy and unrealized gains/losses, and after taxes.

VI. Saving Clause

Cases not covered by this Guidelines shall be referred to the head of agency for appropriate action.

For information and strict implementation.


MA. TERESITA S. CUCUECO, MD, CESO III
 Executive Director