



## **SYSTEM OF RANKING AND GRANTING OF THE 2017 PERFORMANCE BASED BONUS (PBB) TO QUALIFIED PCA OFFICERS AND EMPLOYEES**

Memorandum Circular No. 2017-1 dated March 9, 2017 is issued by the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (Administrative Order No. 25, s. 2011) to prescribe the guidelines on the Grant of the Performance-Based Bonus for FY 2017 under Executive Order No. 80, s. 2012 and Executive Order No. 201 s. 2016.

### **A. COVERAGE OF THE GRANT**

1. The grant covers all Departments, Bureaus, Offices and other Agencies of the National Government, including Constitutional Commissions, Congress. The judiciary, Office of the Ombudsman, State Universities and Colleges (SUCs), Government-Owned or Controlled Corporations (GOCCs), Local Water Districts (LWDs) and Local Government Units (LGUs).
2. The implementation of this circular shall be done in close coordination with the following:
  - a. Department of Budget and Management (DBM) for the Departments and attached agencies;
  - b. Office of the President-Office of the Executive Secretary (OP-OES), Office of the Cabinet Secretary (OP-OCS) and DBM for the other Executive Offices, including OP attached agencies and GOCCs covered by DBM;
  - c. Commission on Higher Education (CHED) for the SUCs
  - d. Governance Commission for GOCCs (GCG) for GOCCs covered by RA 10149;
  - e. Local Water Utilities Administration for LWDs
  - f. Dept. Interior and Local Government (DILG) for LGUs
  - g. Department of Education (DepEd), since the PBB implementation in the Department and the schools has a separate timetable following school calendar.

### **B. ELIGIBILITY CRITERIA**

The Philippine Coconut Authority must satisfy the following conditions to be eligible for the grant of PBB:

1. Good Governance Conditions – Satisfy 100% of the Good Governance Conditions for FY 2017 set by the AO 25 Inter-Agency Task Force (IATF);
2. Performance Targets – Achieve each one of the Congress-approved performance targets for the delivery of Major Final Outputs (MFOs) under the Performance Informed Budget of the FY 2017 General Appropriations Act, and the targets for Support to Operations (STO) and General Administration and Support Services (GASS)



- a. X x x x x x
  - b. For GOCCs covered by RA 10149, the targets reflected in the approved FY 2017 Performance Scorecard and eligibility requirements specified in a separate guideline to be issued by GCG shall be the basis in assessing the performance and authorizing the grant of PBB.
3. Use the CSC approved Strategic Performance Management System (SPMS) in rating the performance of First and Second Level officials and employees, including officials holding managerial and Director positions but are not Presidential appointees in the Agency. In rating the performance of Career Executive Service (CES) officers and incumbents of CES positions, the Career Executive Service Performance Evaluation System (CESPES) shall be the basis.

### C. ELIGIBILITY OF INDIVIDUALS

1. Department Secretaries, Heads of Other Executive Offices, Chairpersons and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by DBM are eligible only if their respective agencies/departments are eligible. If eligible, their PBB rate for FY 2017 shall be equivalent to 65% of their monthly basic salary.
2. Non-ex officio Board Member of GOCCs covered by DBM may be eligible to a rate equivalent to 65% of the monthly basic salary of the highest corporate official of the Agency subject to the following conditions:
  - a. The **Agency has qualified for the grant of the FY 2017 PBB;**
  - b. The Board Member has **90% attendance to duly called board meetings and committee meetings** as certified by the Board Secretary;
  - c. The Board Member has **nine (9) months aggregate service** in the position;
  - d. The Agency has submitted the appropriate annual Board-approved Corporate Operating Budget (COB) to DBM in accordance with the Corporate Budget Circular No. 2 dated December 1, 2016.
3. Employees belonging to the First, Second and Third Levels should receive a rating of at least "Satisfactory" based on the agency's CSC approved Strategic Performance Management System (SPMS) or the 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 the result of the CESPES;
4. Personnel on **detail** to another government agency for at 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;
5. 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 shall be included in the recipient agency.

6. An official or 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;
7. An official or employee who rendered **less than nine (9) months** but a minimum of three (3) months of service and with at least Satisfactory rating shall be eligible for the grant of PBB on a pro-rata basis 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:

1. Being a newly hired employee
  2. Retirement
  3. Resignation
  4. Rehabilitation Leave
  5. Maternity Leave and/or Paternity Leave
  6. Vacation or Sick Leave with or without pay
  7. Scholarship/study leave
  8. Sabbatical Leave
8. An employee who is **on vacation or sick leave, with or without pay, for the entire year** is not eligible to the grant of PBB;
  9. Personnel **found guilty of administrative and/or criminal cases by final and executor judgement in FY 2017** 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;
  10. Officials and employees **who failed to submit the 2016 SALN** as prescribed in the rules provided under CSC Memorandum Circular No. 3, s. 2015, shall not be entitled to the FY 2017 PBB;
  11. Officials and employees **who failed to liquidate all cash advances received in FY 2017** within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997 and reiterated in COA Circular 2009-002 dated May 18, 2009 shall not be entitled to the FY 2017 PBB;
  12. Officials and employees **who failed to submit their complete SPMS Forms** shall not be entitled to the FY 2017 PBB;



13. Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2016 SALN to the respective SALN repository agencies, liquidate their FY 2017 Cash Advances, and completed the SPMS Forms, as these will be the basis for the release of FY 2017 PBB to individuals;
14. Officials and employees responsible for submitting COA Annual Financial Reports and Statements to include Financial Statement (FSs), Annual Financial Reports and Annual Audit Reports (AARs), shall not be entitled to the FY 2017 if the Agency fails to comply with the said reporting requirements as prescribed in COA Resolution 2014-003 dated January 14, 2014 and COA Circular 2015-002 dated March 9, 2015;
15. The Head of Procuring Entity (HOPE) Chairman and Secretariat of the Bid and Awards Committee (BAC) shall not be entitled to the FY 2017 PBB if the Agency has failed to submit the following:
  - a. FY 2017 Annual Procurement Plan to the Government Procurement Policy Board (GPPB) not later than one month after the issuance of this Circular in the format prescribed under GPPB Circular No. 07-2015.
  - b. FY 2018 Annual Procurement Plan-Common Use Supplies and Equipments (APP-CSE) to the DBM Procurement Service on or before November 30, 2017.
  - c. Results of FY 2016 Agency Procurement Compliance and Performance Indicators (APCPI) System, per GPPB Resolution No. 10-2012, complete with the following forms: (1) APCPI-Self Assessment Form; (2) APCPI- Consolidated Procurement Monitoring Report; (3) APCPI- Procurement Capacity Development Action Plan; and the Questionnaire on or before March 31, 2017.
16. Officials and employees responsible for the non-compliance of prior years' audit recommendations shall not be entitled to the FY 2017 PBB;
17. Officials and employees responsible for the QMS certification or alignment shall not be entitled to the FY 2017 PBB if the Agency fails to comply with the said requirement.
18. Officials and employees responsible for posting and dissemination of the Agency's system of ranking performance of delivery units shall not be entitled to the FY 2017 PBB if the Agency fails to comply.

**D. RANKING OF DELIVERY UNITS**

1. The Agency's corresponding offices/delivery units that meet the criteria and conditions in item (B) are eligible to the FY 2017 PBB. **Offices or delivery units eligible to the PBB shall be forced ranked according to the following:**

Ranking

Top 10%  
Next 25%  
Next 65%

Performance Category

Best Delivery Units  
Better Delivery Units  
Good Delivery Units

2. The resulting ranking of offices/delivery units shall be indicated in the Form 1.0- Report on Ranking of Delivery Units;
3. When identifying and determining delivery units, the Agency must be guided by the Master List of Agency and prescribed delivery units per Agency:
  - a. A delivery unit is the primary subdivision of the Agency performing substantive line functions, technical services or administrative support;

The identification of a delivery unit will depend on the type of government entity, with due consideration to the mandate, organizational level and scope of operations, as follows:

Type of Government Entity	Delivery Units
Department or Department-Level	<ul style="list-style-type: none"><li>• Offices</li><li>• Bureaus</li><li>• Services</li><li>• Regional Offices, if any</li></ul>
Agency	Intermediate Level <ul style="list-style-type: none"><li>• Offices</li><li>• Bureaus</li><li>• Services</li><li>• Regional Field Units, if any</li></ul>
State University or Colleges	<ul style="list-style-type: none"><li>• Offices</li><li>• Services</li><li>• Campuses</li><li>• Colleges</li></ul>
GOCC	<ul style="list-style-type: none"><li>• Offices</li><li>• Departments</li></ul>

- b. Agencies attached to a department or department-level entity shall be treated as an agency separate from its parent department and shall have a separate ranking of delivery units.
  - c. To facilitate the ranking of delivery units, agencies may group or cluster the delivery units based on similarities of tasks and responsibilities for purposes of evaluating and ranking group and individual performance, provided that the resulting ranking distribution shall be in accordance with the Item D (1).
4. Only the personnel belonging to eligible delivery units are qualified for the PBB. While individual ranking shall be the basis for merit increases,



promotion, further training and/or disciplinary action, individual ranking shall no longer included.

5. The GCG shall issue pertinent guidelines on the ranking of delivery units for GOCCs covered GCG.

#### **E. RATES OF THE PBB**

1. The rates of the PBB for each individual shall be based on the performance ranking of the individual's bureaus or delivery units with the rate of incentive as a multiple of one's monthly basic salary based on the table:

Performance Category	Multiple of Basic Salary
Best Delivery Unit	0.65
Better Delivery Unit	0.575
Good Delivery Unit	0.50

#### **F. GRIEVANCE MECHANISM**

The Governing Board through Management shall set-up a Complaint Mechanism to respond to the PBB related issues and issues and complaints raised by the Officers and Employees.

For information and reference.



**GLENN B. SANTOS**  
Officer-In-Charge

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