

Republika ng Pilipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON AT KULTURA
(MINISTRY OF EDUCATION AND CULTURE)
Manila

December 18, 1981

MEC O R D E R
No. 64, s. 1981

YEAR-END BONUS OF NATIONAL GOVERNMENT
OFFICIALS AND EMPLOYEES

To: Bureau Directors
Regional Directors
Cultural Agency Directors
Chiefs of Services and Heads of Units
Schools Superintendents
Presidents, State Colleges and Universities

1. Inclosed is a copy of National Budget Circular
No. 354 dated December 3, 1981 on the subject "Year-End
Bonus of National Government Officials and Employees,"
which is self-explanatory.

2. Please be guided accordingly.

(SGD.) ONOFRE D. CORPUZ
Minister

Incls.: As stated

Reference: None

Allotment: 1-2-3--(D.O. 1-76)

To be indicated in the Perpetual Index
under the following subjects:

/ BUREAUS & OFFICES
/ EMPLOYEES
/ OFFICIALS
/ RULES & REGULATIONS

(Inclosure to MEC Order No. 64, s. 1981)

Republic of the Philippines
OFFICE OF BUDGET AND MANAGEMENT
Malacañang, Manila

NATIONAL BUDGET CIRCULAR NO. 354
December 3, 1981

TO: Heads of Ministries, Bureaus, Offices and Agencies
of the National Government, Heads of State Univer-
sities and Colleges and All Others Concerned

SUBJECT: YEAR-END BONUS OF NATIONAL GOVERNMENT OFFICIALS
AND EMPLOYEES

1.0 Purpose

This Circular is being issued in compliance with the
the President's instruction to grant a year-end bonus to of-
ficials and employees of the National Government in recog-
nition of their dedication to government service equivalent
to one week's basic pay.

2.0 Coverage

2.1 All officials and employees of the National
Government whether permanent, temporary, emergency or
casual or contractual, whether employee is on full-time or
part-time basis are covered by this Circular, including
positions whose salaries are fixed by the Constitution
Ministers or equivalent, Career Executive Service or those
declared as equivalent, the Judiciary, uniformed and civil-
ian personnel of the Armed Forces of the Philippines and
the Integrated National Police and employees of state
universities and colleges.

2.2 The following employees shall also be entitled/
granted the year-end bonus:

2.2.1 New employee - an employee who is newly hired
and still in the government service as of December 8, 1981
provided he has rendered 90 calendar days of active service
in the government from January 1, 1981 to November 30, 1981.

2.2.2 Reinstated employee - an employee who is
reinstated in the government service as of December 8, 1981
provided he has rendered 90 calendar days of active service
in the government from January 1, 1981 to November 30, 1981.

2.2.3 Transferred employee - an employee who transferred from one agency to another whose total number of days of service in the government for the year 1981 as shown by his service record is at least 3 months as of November 30, 1981. His new office shall pay him the year-end bonus.

2.2.4 Leave without pay.

2.2.4.1 an employee who is on leave without pay (sick, maternity, or vacation) as of November 30, 1981, but who has been reporting to duty as of December 8, 1981, and who has rendered a total of at least 3 months active service from January 1, 1981 to November 30, 1981.

2.2.4.2 a habitual absentee who has rendered at least 3 months/90 calendar days of active service from January 1, 1981 to November 30, 1981, and has not applied for a long leave of absence without pay as of December 8, 1981.

2.2.4.3 leave with pay - an employee whether regular or casual, who is on sick, maternity or vacation leave with pay, other than terminal leave as of December 8, 1981 and has rendered a total of at least 3 months/90-calendar days of active service from January 1, 1981 to November 30, 1981.

3.0 Exemption

3.1 Employees and officials enjoying additional compensation and/or a year-end bonus or incentive pay or equivalent beyond their basic pay and duly authorized monthly allowances shall no longer be entitled to this year-end bonus.

3.1.1 Paragraph 3.1 shall be limited to officials and employees who have already been granted additional compensation in the form of year-end bonus/or incentive pay or equivalent compensation benefits which are beyond their basic pay and duly authorized monthly allowances to preclude the double grant of the same or similar benefit.

3.1.2 The term additional compensation does not include the duly authorized monthly compensation benefits, such as transportation/representation allowances authorized in Section 42, General Provisions, BP No. 80, honoraria and project allowances authorized in Section 46, General Provisions BP No. 80; monthly incentive allowances/pay authorized for critical agencies/occupational groups/classes of positions; cost of living allowances and other inflation-connected allowances; subsistence/quarters/laundry allowances; hazardous duty pay and other similar allowances.

3.2 An employee who retired or resigned from the government service effective on or before December 9, 1981 even if he had rendered at least 3 months/90 calendar days of active service in the government from January 1, 1981 to November 30, 1981 (a retired or resigned employee is considered separated from the government service).

3.3 An employee who has been continuously on leave for 3 months/90 calendar days without pay (sick or vacation) and has not returned to the service as of December 8, 1981 whether he has rendered a total of at least 3 months/90 calendar days of active service from January 1, 1981 to November 30, 1981.

4.0 Rules and Procedures

4.1 All officials and employees of the National Government who are paid on an annual or monthly basis shall be paid a year-end bonus, which, is equivalent to their one-fourth (1/4) of basic pay.

4.1.1 The computation of the year-end bonus of regular official and employees shall be done by dividing the basic monthly salary by four (4).

4.2 Daily-paid workers, laborers and other casual/emergency employees shall be entitled to a year-end bonus equivalent to seven (7) days basic wage but not exceeding P350.

4.2.1 The computation of the year-end bonus of employees specified in the above-cited section shall be done by multiplying the daily rate by seven (7).

4.3 Contractual personnel shall be entitled to a year-end bonus equivalent to one fourth (1/4) of the monthly rate but not exceeding the amount received by his superior and in any case not exceeding ₱1,500.

4.3.1 The computation of the year-end bonus of contractual employees shall be done by dividing their monthly rate by four (4).

4.4 Employees paid on the hourly or part-time basis shall be entitled to a year-end bonus equivalent to seven (7) days.

4.5 Teachers/Instructors/Professors and other teaching positions shall be entitled to the year-end bonus provided herein even if they do not render actual service during the Christmas vacation.

4.6 An employee who is on full-time or part-time detail with another government agency or special project shall receive his year-end bonus from his home office and/or from the same fund source where he draws his basic monthly salary. No one shall receive the year-end bonus from more than one source. Committee or project honoraria shall not be counted in computing this bonus.

4.7 Computation of the year-end bonus shall be based on the actual basic monthly salary/daily wage/contractual/rate of the employee as of November 30, 1981, exclusive of allowances and other compensation benefits.

4.8 The year-end bonus specified herein shall be subject to withholding tax, but not to GSIS premiums, medicare, and other such deductions.

4.9 The year-end bonus may be given to the employee through a prepared payroll without notice of salary adjustment.

5.0 Funding Source

Agency savings shall be drawn/utilized for the purpose of paying this year-end bonus. Any remaining deficiency shall be charged against the Salary Adjustment Fund in the CY 1981 Appropriations Act. Any further deficiency shall be charged against budgetary reserves.

Officials/employees paid from funds other than the General Fund or from Special Accounts in the General Fund shall be paid out of the fund to which their basic salary is charged.

6.0 Responsibility of Head of Agency

The head of ministry/bureau/office/regional office, agency or other entity of the National Government concerned shall be held personally liable for any payment of year-end bonus not in accordance with provisions of this Circular, and for the non-submission of the required reports, without prejudice, however, to the refund of any excess payments of the employees concerned.

7.0 Payment and Allotment and Account Procedure

7.1 The year-end bonus authorized in this Circular may be paid out of the regular operating allotment of the Advice of Allotment from the Ministry of the Budget. The agency shall submit the usual work and financial plan as basis for issuing the Advice of Allotment.

7.2 The Chief Accountant of each ministry, bureau, regional office, office, agency or other entity of the National Government shall accomplish and submit to the Office of Budget and Management not later than fifteen (15) days from the end of December, 1981, a statement of actual payments of the year-end bonus made, duly certified in accordance with the prescribed form attached as Annex "A" which shall be the basis of the issuance of a Cash Disbursement Ceiling.

8.0 Saving Clause

Cases not covered by the provisions of this Circular shall be submitted to the Minister of the Budget for appropriate action and/or recommendation.

9.0 Effectivity

The year-end bonus provided herein shall take effect immediately.

(SGD.) MANUEL S. ALBA
Minister of the Budget

A true copy