



Office of the Secretary

DEC 27 2005

DepED O R D E R
No. 64, s. 2005

GRANT OF PERFORMANCE BONUS FOR FY 2005

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services/Centers and Heads of Units
Regional Directors
Chiefs of Divisions
All Others Concerned

1. Pursuant to DBM Budget Circular No. 2005-7 dated December 15, 2005 implementing Administrative Order No. 131 dated December 15, 2005, copies enclosed, all government employees shall be entitled to the Performance Bonus (PerB).

2. In this connection, all DepED officials and employees under permanent, temporary or casual status, including contractual personnel whose employment is in the nature of a regular employee, whose salaries/wages are charged against the Personal Service Allocation and who have rendered at least a total or an aggregate of four (4) months of service as of November 30, 2005 are entitled to receive the PerB in the amount of Five Thousand Pesos (PhP5,000.00).

3. Those who have rendered less than four (4) months of service shall be entitled to the grant of PerB on a pro-rated basis, as follows:

Length of Service	Percentage
3 months but less than 4 months	40%
2 months but less than 3 months	30%
1 month but less than 2 months	20%
Less than 1 month	10%


4. DepED official and employees however who are under the following instances as of November 30, 2005 are not entitled to said benefits:

- a. those who were absent without leave (AWOL);
- b. those who were no longer in the service due to retirement/resignation/separation/death or for whatever reasons;
- c. those who were hired not as part of the organic manpower of DepED; and

d. those who were formally charged with administrative or criminal cases which relate to facts of omissions in connection with their official duties and functions and guilty in the year the decision was handed down. If the penalty meted out is only a reprimand, however, said employee is entitled to receive said benefits.

5. The general policies, pertinent rules and regulations and funding sources/guidelines provided in said DBM Circular shall be strictly complied with.

6. Immediate dissemination of and compliance with this Order is directed.


FE A. HIDALGO
Undersecretary
Officer-in-Charge

Encl.:

As stated

Reference: None

Allotment: 1- -(D.O. 50-97)

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

✓ALLOWANCE
✓EMPLOYEES
✓OFFICIALS

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REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila

BUDGET CIRCULAR

No. 2005-7
December 15, 2005

TO : HEADS OF NATIONAL GOVERNMENT AGENCIES (NGAs), STATE UNIVERSITIES AND COLLEGES (SUCs), GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT FINANCIAL INSTITUTIONS (GFIs); AND ALL OTHERS CONCERNED

SUBJECT : GRANT OF PERFORMANCE BONUS FOR FY 2005

1.0 PURPOSE

This Circular is issued to Implement Administrative Order (AO) No. 131 dated December 15, 2005 on the grant of Performance Bonus (PerB) to all government employees.

2.0 GENERAL GUIDELINES

- 2.1 The PerB is a one-time reward for the contribution of agencies for their commendable efforts exerted towards the achievement of sound fiscal performance. In contrast with the Productivity Incentive Benefit (PIB), which is granted based on individual employee performance, the PerB is a reward for institutional performance.
- 2.2 All personnel of national government agencies including government-owned or controlled corporations (GOCCs) and government financial institutions (GFIs), whether on permanent, temporary, casual or contractual basis provided that their salaries/wages are charged against their Personal Services allocation and who have rendered at least four (4) months of service as of November 30, 2005, are entitled to receive the PerB in the amount of **Five Thousand Pesos (P5,000.00)** each.
- 2.3 The PerB shall be granted to all personnel of NGAs, GOCCs and GFIs who have not received any extra cash gift or additional benefit in FY 2005 over and above the year-end benefit (YEB) authorized under RA 6686, as amended by RA 8441 as implemented by Budget Circular No. 2005-6 dated October 28, 2005.

- 2.4 Personnel of local government units (LGUs) shall not be entitled to the PerB since LGUs have been authorized to grant a similar additional benefit under Local Budget Memorandum No. 2005-48 dated December 7, 2005.

3.0 SPECIFIC GUIDELINES

- 3.1 All government personnel as defined under Item no. 2.2 of this Circular shall be entitled to the full amount of the PerB provided they have rendered at least a total or an aggregate of four (4) months of service, including leaves of absence with pay.
- 3.2 Government personnel who have rendered less than the aggregate four (4) months of service shall also be entitled to partial PerB pro-rated as follows:

Length of Service	Percentage
3 months but less than 4 months	40%
2 months but less than 3 months	30%
1 month but less than 2 months	20%
Less than 1 month	10%

- 3.3 Government personnel under the following instances as of November 30, 2005 are not entitled to the PerB:
- 3.3.1 Those who are absent without leave (AWOL);
- 3.3.2 Those who are no longer in the service due to retirement/resignation/separation/death or for whatever reasons; and,
- 3.3.3 Those who have been hired not as part of the organic manpower of agencies but as consultants or experts, to perform specific activities or services with expected outputs; student laborers, apprentices; laborers of contracted projects (pakiao); mall contractors, including those paid on piecework basis; and others whose remuneration are not taken from the budgetary allocation for Personal Services under the agencies' FY 2005 budget.
- 3.3.4 Those who were formally charged administrative cases as well as criminal cases, which relate to acts or omissions in connection with their official duties and functions and found guilty and/or meted penalties in FY 2005, except when the penalty is a mere reprimand.

- 3.4 The PerB of government personnel employed on full-time basis but detailed with another government agency or special project shall be drawn from their respective mother agency. In the case of those paid from project funds, the PerB shall be drawn from the same source where they draw their salaries.
- 3.5 The PerB of government personnel employed on a part-time basis shall be pro-rated corresponding to the services rendered. Those who are employed on part-time basis with two (2) or more agencies, shall be entitled to a proportionate amount corresponding to the service in each agency, provided that the total PerB shall not exceed the amount herein authorized.
- 3.6 The PerB of government personnel who transferred from one agency to another shall be granted by their new office. For this purpose, a certification from the former office that the personnel has not availed of the PerB, extra cash gift, additional bonus or benefit over and above the YEB in FY 2005, is necessary.
- 3.7 Government personnel who have received any unauthorized extra cash gift or additional benefit/allowance prior to the issuance of this Circular charged against the FY 2005 budget, shall:
- 3.7.1 Refund any excess of the amount herein authorized; or,
 - 3.7.2 Be entitled to the difference, if they received less than the amount herein authorized.
- 3.8 DBM shall release the funds needed by national government agencies to cover the PerB herein authorized subject to the submission of the following:
- 3.8.1 Report of gross and net savings generated in their FY 2005 budget **and** report on the number of filled positions (permanent, casual/contractual), both as of November 30, 2005, duly signed by the agency head pursuant to CL No. 2005-11;
 - 3.8.2 In case the agency has no savings, a certification that no savings has been generated as of November 30, 2005, duly signed by the agency head; and,
 - 3.8.3 Certification by the agency head that no extra cash gift nor additional benefit/allowance over and above the yearend benefits was paid to their employees in FY 2005.

4.0 SOURCES AND RELEASE OF FUNDS

4.1 Funds needed to implement this Order shall be charged against the following:

4.1.1 For national government agencies **except** the Constitutional Offices/Fiscal Autonomy Group (CFAG), from savings pooled by DBM, as authorized under Section 4.a of AO No. 131, sourced as follows:

4.1.1.1 All unreleased appropriations under the FY 2005 budget; and,

4.1.1.2 Available net savings reported by the departments/agencies as of November 30, 2005.

4.1.2 For agencies belonging to the CFAG (i.e., Congress, Judiciary, Civil Service Commission-Proper, Commission on Audit, Commission on Election, Commission on Human Rights and Ombudsman), the amount shall be charged against their available savings;

4.1.3 For GOCCs and GFIs, the amount needed shall be charged against their respective corporate funds.

GOCCs and GFIs which do not have adequate or sufficient resources may partially implement the benefit herein authorized, provided that the partial implementation shall be uniform for all positions.

4.2 Release of Allotment

4.2.1 DBM shall issue negative SAROs to effect withdrawal of agencies' available net savings in allotment (except CFAG) per submitted report as required under CL No. 2005-11 and cited under item no. 4.1.1.2 of this Circular.

4.2.2 DBM shall issue SAROs to agencies other than CFAG covering requirements for the PerB herein authorized based on the requirements prescribed under Item 3.8 of this Circular.

4.3 Release of NCAs

4.3.1 For agencies other than CFAG, NCAs to be issued by DBM to its operating units shall be equivalent to the SAROs issued for the purpose.

4.3.2 For agencies under CFAG, NCAs to be issued by DBM to its operating units shall be based on the number of filled positions as of November 30, 2005.

5.0 RESPONSIBILITY OF THE HEAD OF AGENCY

The Head of the NGA/GOCC/GFI concerned shall be personally liable for any payment of benefit not in accordance with the provisions of this Circular without prejudice, however, to the refund thereof by the employee concerned.

6.0 SAVING CLAUSE

Cases not covered by this Circular shall be referred to the Department of Budget and Management for resolution.

7.0 EFFECTIVITY

Payment of the PerB shall be made not earlier than December 16, 2005.



ROMULO L. NERI
Secretary

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 131

AUTHORIZING THE GRANT OF PERFORMANCE BONUS FOR FY 2005

WHEREAS, government agencies exerted commendable efforts towards the achievement of sound fiscal performance;

WHEREAS, in recognition of the contribution of government personnel in providing quality service to the Filipino people, it is the policy of the government to improve the economic welfare of government personnel;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. All personnel of national government agencies, including government-owned or controlled corporations (GOCCs), government financial institutions (GFIs), whether permanent, temporary, casual and on a contractual basis, and who have rendered at least four (4) months of service as of November 30, 2005, are entitled to receive a Performance Bonus (PerB) in the amount not to exceed Five Thousand (P5,000.00) Pesos each.

SECTION 2. Government personnel who have rendered less than four (4) months of service as of November 30, 2005 shall also be entitled to PerB on a pro-rated basis as follows:

Length of Service	Percentage
3 months but less than 4 months	40%
2 months but less than 3 months	30%
1 month but less than 2 months	20%
Less than 1 month	10%

SECTION 3. The PerB shall be granted to all government personnel who have not received any additional benefit in FY 2005, over and above the year-end benefit authorized under R.A. No. 6686, as amended by R.A. No. 8441.

SECTION 4. Funds needed to implement this Administrative Order shall be charged against the following:



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- a. For national government agencies except the Constitutional Offices/Fiscal Autonomy Group (CFAG).
- All unreleased appropriations under the FY 2005 budget, which shall be pooled for the purpose; and
 - Available net savings reported by the departments/agencies as of November 30, 2005
- b. For agencies belonging to the CFAG, the amount shall be charged against their available savings; and
- c. For GOCCs/GFIs, the amount needed shall be charged against their respective funds.
- GOCCs/GFIs which do not have adequate or sufficient resources may partially implement the benefit herein authorized, provided that the partial implementation shall be uniform for all positions.

SECTION 5. Payment of PerB shall not be made earlier than December 16, 2005.

SECTION 6. The Department of Budget and Management shall issue the Implementing Rules and Regulations covering this Administrative Order.

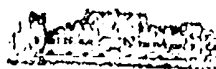
SECTION 7. This Administrative Order shall take effect immediately.

DONE in the City of Manila this 15th day of December, in the year of Our Lord, Two Thousand and Five.

Gloria Arroyo

By the President:

Eduardo R. Ermita
EDUARDO R. ERMITA
Executive Secretary



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