

RANKING AND DISTRIBUTION OF THE 2017 PERFORMANCE-BASED BONUS

COVERAGE

All MIAA Officers and Employees who occupy plantilla positions.

ELIGIBILITY FOR 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:

- Achieve a weighted-average score of at least 90% in its 2017 Performance Scorecard;
- 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;
- Comply with the Good Governance Conditions provided in GCG MC No. 2013-02 and 2014-023.

Conditions Common to National Government Agencies 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 (GOMSS) pursuant to E.O. No. 605, s. 2007; and
- (f) Compliance with submission and review of SALN of officials and employees

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 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 GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.

GUIDELINES

A. Eligibility of Individuals

- a.1. Personnel who have rendered at least nine (9) months of service for year ending December 31, 2017 are entitled to the PBB.
- a.2. Employees belonging to the First and Second Level positions should receive at least "Satisfactory" rating based on the CSC-approved SPMS.
- a.3. Third Level officials should receive a rating of at least "Very Satisfactory" under the CESPES. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.
- a.4. Employees who transferred from one government agency to another agency shall be rated 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.
- a.5. An employee who rendered a minimum of three (3) months but less than nine (9) months of service and with required performance rating shall be eligible for the grant of PBB on a pro-rate 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 newly hired employee;
 - b. Retirement;
 - c. Resignation;
 - d. Rehabilitation Leave;
 - e. Maternity and/or Paternity Leave;
 - f. Vacation or Sick Leave with or without pay;
 - g. Scholarship/Study Leave,
 - h. Sabbatical Leave
- a.6. 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.
 - a.7. Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty 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.
- a.8. Officials and employees who failed to submit the 2015 SALN and prescribed in the rules provided under CSC Memorandum Circular No. 3 (s.2015)' shall not be entitled to the FY 2017 PBB.
 - a.9. Officials and employees who failed to liquidate Cash Advances received in FY 2017 within the reglementary period as required by the COA shall not be entitles to the FY 2017 PBB.
 - a.10. Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2017 SALN to the respective SALN repository agencies as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s.2015) and also liquidated 2017 Cash Advances, as this will be a basis for the release of FY 2017 PBB to individuals.

B. Exclusions. - Excluded from the grant of the PBB are the following:

- b.1. Those hired without employer-employee relationships and paid from non-Personal Services appropriations/budgets as follows:
- b.2. Consultants and experts hired to perform specific activities or services with expected outputs;
- b.3. Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
- b.4. Student laborers and apprentices; and
- b.5. Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

C. Distribution System.

Distribution of PBB among qualified Officers and Employees of a GOCC who have complied with the eligibility rules in Section 4 above shall be in accordance with the following procedure:

- c.1 . Grouping of Personnel - In determining the distribution of the PBB among qualified GOCC Officers and Employees, all personnel shall be ranked on a percentile basis within their respective levels as determined by the GOCC Governing Board through Management in accordance with the

- c.1.1 **Senior Management:** This refers to the executive officers of the GOCC, and includes 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. (e.g., Deputy Administrator, Sr. Deputy Administrator, Assistant General Manager, Executive Vice President, Sr. Vice President, Vice President, etc.) The President/CEO, or whoever is the highest ranking executive officer, has the prerogative to avail of either the Performance-Based Incentive (PBI) under GCG MC No. 2015-06, or the PBB, but not both. In the event the CEO is included in the PBB application, he/she must meet the eligibility requirements for the PBI and shall be ranked separately on his/her own and shall not be included in the forced ranking of Officers and Employees.

- c.1.2 Middle Management:** This 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 expert with in-depth technical knowledge, project management and significant influence skills in area of expertise (e.g., Head of Department of Service).
- c.1.3 Professional and Supervisory:** This level comprises the personnel whose work is primarily achieved by an individual or thought 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 (e.g., Financial Analyst/ Specialists, Accountant, HR Officer, etc.)
- c.1.4. Clerical/General Staff:** This category 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 (e.g., Secretary, Clerk, Finance Processor, Administrative Assistant, Chauffeur, Utility Worker, Messenger).
- c.1.5 Distribution for Qualified Officers and Employees.** – In each level provided for in Section 5.1 above, the ratings of Officers and Employees under the GOCC’s SPMS or its equivalent shall be quantified to allow for ranking on a percentile basis for the purpose of distribution as follows:

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 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 CY 2017, as follows:

Percentile	Multiple
Top: Maximum 10%	65.0%
Next: Maximum 25%	57.5%
Remaining: Minimum 65%	50.0%

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

Provided, that the total cost of the PBB shall not result in a net loss for CY 2017 computed before subsidy and unrealized gains/losses, and after taxes.

DETERMINATION OF PROFITABILITY

The resulting amount following the table below, as may be applicable, shall be the basis for determining a GOCCs profitability, to wit:

Total Comprehensive Income (TCI)
1. Unrealized Losses found in Other Comprehensive Income 2. Disbursements of Program Subsidies treated as expenses
Less; 1. Subsidies treated as revenues 2. Subsidies granted to settle tax obligations for prior years 3. Unrealized Gains found in Other Comprehensive Income 4. All income or dividends received from Operating Subsidiaries

FUNDING FOR THE PBB. - Pursuant to Section 5(b) of E.O. No. 80, the funding to support the Interim PBB System herein shall be charged by GOCCs from their respective corporate funds, subject to the approval of their respective Governing Boards in accordance with applicable laws, rules and regulations. However, it shall be prohibited to source the payment of the PBB from the following:

- (a) Loans;
- (b) Subsidy from the NG for the GOCC's operations, except for subsidy income or subsidy given by DBM precisely for the payment of the PBB; and
- (c) Sale of the GOCC's asset(s) for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.