



JAN 30 2019

MEMORANDUM CIRCULAR NO. ~~02~~
Series of 2019

SUBJECT : GUIDELINES IN THE RANKING AND DISTRIBUTION OF THE 2018 PERFORMANCE-BASED BONUS

I. LEGAL BASIS

1. GCG Memorandum Circular No. 2018-01 dated January 31, 2018 amending the guidelines in the rates of the Performance-Based Bonus for FY 2018 ;
2. GCG Memorandum Circular No. 2017-01, Interim Performance –Based Bonus
3. Inter-Agency Task Force (IATF) Memorandum Circular No. 2018-1 dated May 28, 2018 prescribing the criteria and conditions for the grant of PBB for FY 2018.

II PURPOSE AND COVERAGE

This Memorandum Circular is issued to provide the basic policies and procedure in the eligibility, ranking and distribution of MIAA officials and employees who are entitled to the PBB.

The grant of the FY 2018 PBB shall only cover all MIAA Officers and Employees who occupy plantilla positions, including contractual personnel having an employee-employer relationship;

Excluded from the grant of the PBB are the following:

1. Consultants and experts hired to perform specific activities or services with expected outputs;
2. Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
3. Student laborers and apprentices; and
4. Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

III. ELIGIBILITY

AGENCY

To be eligible for the PBB, the MIAA must satisfy the following criteria and conditions.

1. Achieve weighted-average score of at least 90% in its 2018 Performance Scorecard;
2. Satisfy 100% of the Good Governance Conditions for FY 2018 provided in GCG MC No. 2013-02 and 2014-023.
 - (a) Maintain/ Update Transparency Seal;
 - (b) Post / Update the PhilGEPS Posting of all invitations to bid and awarded contracts;
 - (c) Cash Advance Liquidation
 - (d) Maintain and Update the Citizen's Charter or Service Charter or its equivalent;
 - (e) 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; 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

Non-compliance to any of the GCCs will render the entire MIAA ineligible for the PBB

3. 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;
- (b) 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.

OFFICES

1. All offices shall be forced ranked according to the following categories pursuant to MC No. 2018-1 issued by the AO 25 – IATF.

Ranking	Performance Category
Top 10%	Best Offices
Top 25%	Better Offices
Top 65%	Good Offices

2. The ranking of officers shall be based on the rating as reflected in the Office Performance Commitment and Review (OPCR) which has been validated by the PMT. The PMT shall be responsible in settling the parameters and standards in the validation of OPCR's;
3. All Offices who failed to submit their OPCR form/s on the previously set deadline shall be given a chance to submit thru the issuance of Final Notice to submit, subject to corresponding deduction for the late submission on the average final rating of OPCR for CY 2018;

Late Submission	Deductions from Average Final Rating
1 semester after deadline	0.05
2 semester after deadline	0.15
Submission before the final notice	0.25

4. All Offices who failed to submit their OPCR after the final call shall not be eligible for the grant of the PBB. Likewise, the officials and employees of the concerned offices shall not be eligible for the grant of the PBB.
5. The ranking of offices shall be determined by the PMT.

INDIVIDUAL

1. Officials and Employees who have rendered at least nine (9) months of service for the applicable year, and have received a rating of at least Satisfactory are entitled to the PBB;
2. Employees belonging to the First and Second Level positions who receive a "Below Satisfactory Rating" under CSC-approved SPMS or its equivalent shall not be eligible to the PBB;
3. 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;
4. 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	% of PBB
8 months but less than 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
5. An employee who is on vacation or sick leave, with or without pay for the year, is not eligible to the grant of the PBB.
 6. Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2018 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.
 7. Officials and employees who failed to submit the 2017 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s.2015)' shall not be entitled to the CY 2018 PBB.
 - .8. Officials and employees who failed to liquidate Cash Advances received in FY2018 within the reglementary period as required by the COA shall not be entitled to the CY 2018 PBB.

III.A. DISTRIBUTION SYSTEM

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

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 Governing Board through Management, to wit:

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., Senior Assistant General Manager, Assistant General Managers, Department Managers and Division Managers.) The General Manager/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.

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).

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.)

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).

Distribution for Qualified Officers and Employees. – In each level provided for in Section 5.1 above, the ratings of Officers and Employees under the MIAA’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 2018, 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 2018 computed before subsidy and unrealized gains/losses, and after taxes.

- IV. GREIVANCE MECHANISM** – All complaints and issues that shall be raised by officers and employees shall be resolved within thirty (30) days upon receipt of the complaint by the PMT who shall conduct the investigation and deliberation. If the complainant is not satisfied with the decision of the PMT, the complainant may elevate his/her concerns to the General Manager.
- V. 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 to MIAA corporate funds, subject to the approval of MIAA Board of Directors in accordance with applicable laws, rules and regulations.
- VI. EFFECTIVITY** – This Memorandum Circular takes effect immediately. However, it does not guarantee the release of the PBB. The approval and release is dependent on the validation of MIAA's performance for 2018 against the GCG-approved targets and in MIAA's compliance to the governance conditions and other requirements as indicated in the IATF MC No. 2018-01.

All other issuances in conflict herewith are hereby superseded.



EDDIE V. MOREAL
General Manager



MC 18-01