



Updates on Compensation and Allowances in the Government

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April 26, 2023 | 1:00-3:00 PM

Outline of Presentation

- I. Compensation Standards and Guidelines
 - A. History
 - B. Standard Allowances and Benefits
 - C. Specific-Purpose Allowances and Benefits
 - D. Incentives
- II. Updates on the Fiscal Year (FY) 2021 Performance-Based Bonus (PBB)
- III. Service Recognition Incentive (SRI) and Gratuity Pay
- IV. Updates on the Engagement of Contract of Service (COS) and/or Job Order Workers (JO)
- V. Updates on the Conduct of Compensation Study



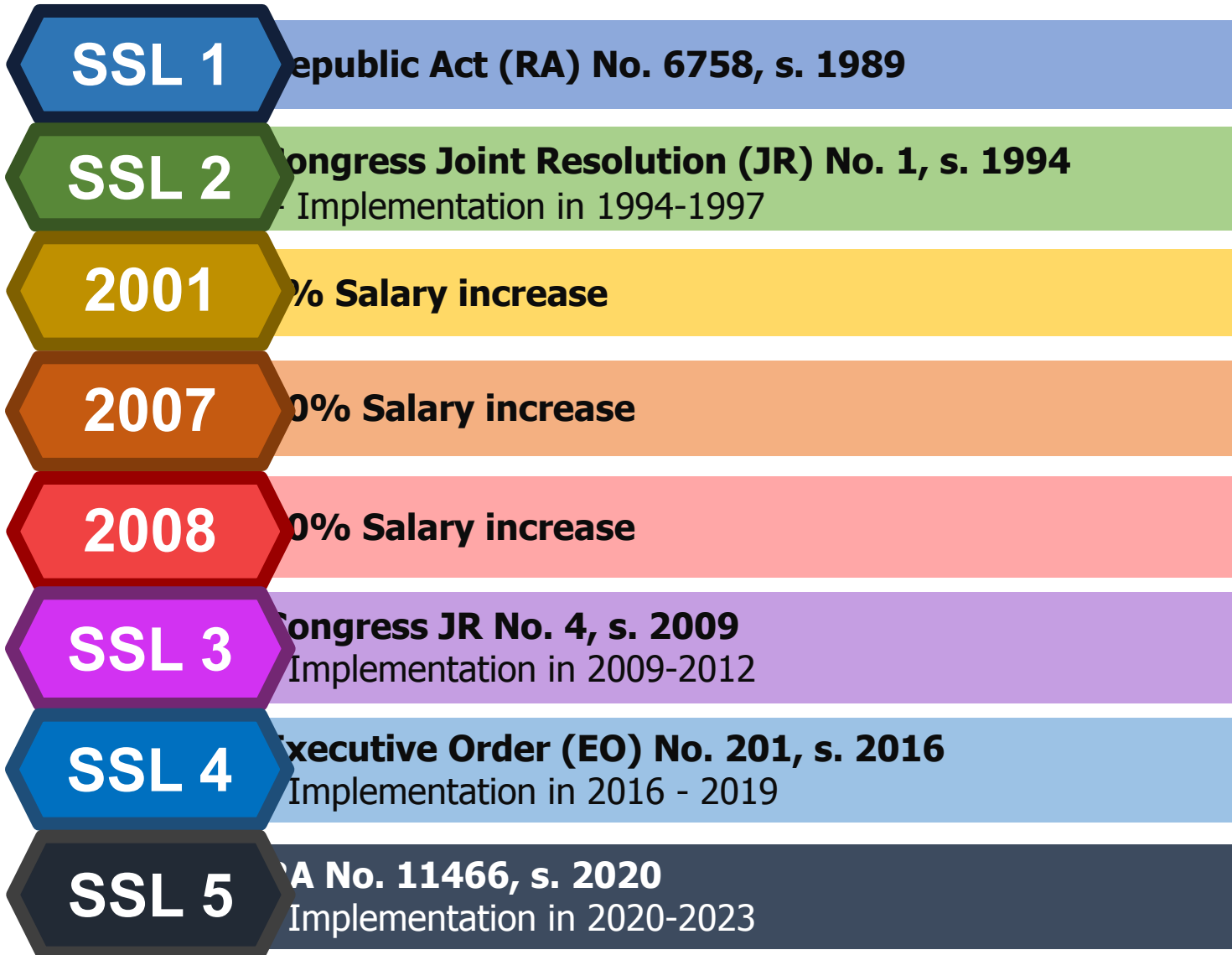
COMPENSATION STANDARDS AND GUIDELINES

Constitutional Provision on Compensation Standardization

1987 Philippine Constitution Section 5, Article IX-B

"Section 5. The Congress shall provide for the standardization of compensation of government officials and employees, including those in government-owned or controlled corporations with original charters, taking into account the nature of the responsibilities pertaining to and the qualifications required for their positions."

Salary Increase since 1989



Laws and EOs on Salary Standardization

**RA No. 6758
(SSL 1)**

**Congress JR
No. 1, s. 1994
(SSL 2)**

**Congress JR
No. 4, s. 2009
(SSL 3)**

**EO No. 201
(SSL 4)**

**RA No. 1466
SSL 5**

"Compensation and
Position Classification
Act of 1989"

Joint Resolution
Urging the President
of the Philippines to
Review the Existing
Compensation and
Position Classification
System in the
Government and to
Implement the Same
Initially Effective
January 1, 1994,"
March 7, 1994

Joint Resolution
Authorizing the
President of the
Philippines to Modify
the Compensation
and Position
Classification System
of Civilian Personnel
and the Base Pay
Schedule of Military
and Uniformed
Personnel in the
Government, and for
Other Purposes,"
June 17, 2009

Modifying the Salary
Schedule for Civilian
Government
Personnel and
Authorizing the Grant
of Additional Benefits
for Both Civilian and
Military and
Uniformed Personnel,
February 19, 2016

"Salary
Standardization Law of
2019"

RA No. 6758 (SSL 1)

- a. Provided for a **single salary schedule**; salary grade (SG) increased from 28 to 33.
- b. Covered **all agencies** of government: national, local, government-owned and controlled corporations (GOCCs) not covered by RA No. 10149.
- c. Advocated the following **principles**:
 - i. Equal pay for substantially equal work
 - ii. Compensation in government shall be generally comparable with private sector
 - iii. Total government compensation must be at a reasonable level in proportion to national budget
 - iv. Conduct of periodic review of compensation rates to account for inflation and other factors
- d. **Integrated** certain allowances into the standardized salary

JR No. 1, s. 1994 (SSL 2); JR No. 4, s. 2009 (SSL 3)

JR No. 1, s. 1994 (SSL 2)

- a. Revised the salary schedule with higher rates of pay for all SGs
- b. Implemented in FYs 1994-1997

JR No. 4, s. 2009 (SSL 3)

- a. Basic principle: **“Equal pay for work of equal value.”**
- b. Established the Total Compensation Framework (TCF)
- c. Re-categorized the classes of positions
- d. Raised basic salaries by a range of 27%-138% (2009-2012)
- e. Rationalized the allowances and benefits

EO No. 201 (SSL 4); RA No. 11466 (SSL 5)

EO No. 201 (SSL 4)

- a. Brought compensation closer to market rates (70% of market median)
- b. Increased salaries by an average of 27% (2016-2019)
- c. Provided for the grant of Mid-Year Bonus (MYB)
- d. Strengthened the performance-based incentive system

RA No. 11466 (SSL 5)

- a. Increased salaries by an average of 23.24%
- b. Institutionalized the grant of MYB
- c. Categorized the PRAISE under Incentives
- d. Salary levels of certain government positions are higher compared to market rates

RA 6758 Mandated Adoption of Components of the Compensation and Position Classification System (CPCS)

Definitions:

- a. Position Classification Plan (PCP)** - an orderly scheme which provides the criteria and standards for classification of positions.

The **PCP** consists of:

- i. occupational services, occupational groups, and classes in series;
- ii. specifications or written descriptions of the classes; and
- iii. rules and procedures for administration and maintenance of the plan.

- b. Compensation Plan (CP)** - an orderly scheme for determining rates of compensation for positions.

The CP contains the following:

- Salary schedule;
- Salary rules; and
- Policies, rules and regulations on the grant of allowances, benefits, and incentives.

Who are covered by the CPCS under RA No. 6758, as amended

Covered

- a. All agencies of the National Government
 - i. Executive Branch
 - ii. Legislative Branch
 - iii. Judicial Branch
 - iv. GOCCs covered by DBM (includes local water districts)
- b. Local government units (LGUs)

Not covered

- a. Agencies exempt from RA No. 6758, as amended
- b. GOCCs covered by Governance Commission for GOCCs (GCG), where GCG was authorized to issue the guidelines.

Total Compensation Framework (TCF) under JR No. 4

Under the TCF, the total payment to an employee for services rendered shall be composed of the following:

- a. **Basic Salaries, including Step Increments;**
- b. **Standard Allowances and Benefits;**
- c. **Specific Purpose Allowances and Benefits; and**
- d. **Incentives**

The TCF **excluded** all indirect compensation under existing laws such as: life and retirement insurance benefits; employee compensation insurance; health insurance (PhilHealth); Pag-IBIG Funds benefits; and Provident Fund benefits.

SSL Governing Principles

- a. All government personnel shall be paid just and equitable compensation in accordance with the principle of **equal pay for work equal value**. Differences in pay shall be based on verifiable compensation and position classification factors in due regard to the financial capability of the government.
- b. The compensation for all civilian government personnel shall generally be **comparable with the private sector** doing comparable work in order to attract, retain and motivate a corps of competent civil servants.
- c. The compensation for all civilian personnel shall be **standardized and rationalized** across all agencies to create an enabling environment that will promote social justice, integrity, efficiency, productivity, accountability and excellence in the civil service.
- d. A **performance-based incentive scheme** which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well-performing institutions.

The Salary Schedule

Salaries of government personnel are **based on the salary schedule** indicated in the SSL.

Salary schedule - a table of SGs with each SG representing a level of difficulty and responsibility of work.

- It consists of 33 SGs.
- Each SG has 8 steps except SG 33, which has 2 steps.

Step Increment (CSC-DBM Joint Circular (JC) No. 1, s. 2012)

Step increment - increase in salary from Step 1 to Step 8 within the SG of a position in view of:

- a. meritorious performance (1 or 2 steps)
- b. through length of service (1 step for every 3 years of satisfactory service in comparable/same position)

Coverage

- a. Civilian personnel under the career service
- b. Civilian personnel under the non-career service whose positions are authorized in the plantilla for regular positions:
 - Coterminous with the appointing authority
 - Coterminous with the head of organizational unit where assigned
 - Coterminous with the lifespan of the agency

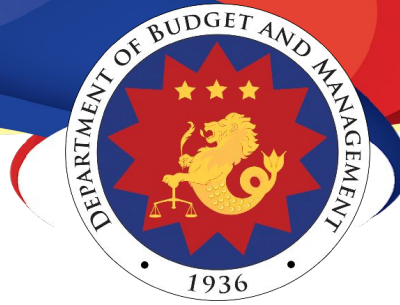
Step Increment

Grant of Step Increment Due to Meritorious Performance

- Number of employees to be granted Step Increment/s Due to Meritorious Performance in a year - limited to **5% of all incumbents**.
- **Two Step Increments** due to Meritorious Performance – for 2 ratings of “Outstanding” during the 2 rating periods within a year.
- **One (1) Step Increment** due to Meritorious Performance – for 1 rating of “Outstanding” and one rating of “Very Satisfactory” during the 2 rating periods within a year.

Grant of Step Increment Due to Length of Service

- **One Step Increment** Due to Length of Service - **for every 3 years** of continuous satisfactory service in the present position.



Standard Allowances and Benefits

Standard Allowances and Benefits

These are allowances and benefits given to all employees across agencies at prescribed rates, guidelines, rules and regulations.

1. PERA
2. Uniform/Clothing Allowance
3. Year-End Bonus

Personnel Economic Relief Allowance (PERA) (BC No. 2009-3 as amended by BC No. 2011-2)

Payment of PERA

- PERA is paid only when basic pay (salary, wage, or base pay) is also paid.
- PERA at **₱2,000** per month is paid to personnel provided they render full-time services for 8 hours per working day (WD), 22 WDs per month, inclusive of leaves of absence with pay.
- PERA of casual personnel paid on daily basis = **₱90.91 per day**.

Uniform/Clothing Allowance (U/CA) (BC No. 2018-1)

Covered

Civilian personnel occupying regular, contractual, or casual positions; appointive or elective; rendering services on full-time or part-time basis.

Not covered

- Military and uniformed personnel;
- Foreign service personnel of DFA and of other agencies who are stationed abroad; and
- Barangay officials and employees paid monthly honoraria.

Uniform/Clothing Allowance

Rationale of the grant of U/CA – to defray expenses for uniforms or distinctive clothing which are the required appropriate attire for employees.

In general, such uniforms or clothing are intended to:

- a. Identify the employees with their mother agencies and to convey emblem of authority; and
- b. Serve as protective or working clothing; especially for maintenance, workshop, and farm personnel.

Rates of the U/CA

- a. For FY 2022, not to exceed **₱6,000** per annum for full-time service of personnel;
- b. For part-time service, shall be in direct proportion to the U/CA for full-time service.

Uniform/Clothing Allowance

Forms and Other Details of the U/CA

The U/CA may be granted in the following forms:

- In the form of **uniforms** procured through a bidding process;
- In the form of **textile** materials and cash to cover sewing/tailoring; and
- In **cash** form, for incumbents of executive positions or for those who will procure their individual uniforms according to set conditions.
- As far as practicable, such uniform/clothing shall use Philippine tropical fibers pursuant to R.A. No. 9242¹.
 - Shoes shall be on the personal accounts of officials/ employees, unless provided by law.

¹RA No. 9242 - An Act Prescribing the Use of the Philippine Tropical Fabrics for Uniforms for Public Officials and Employees and for Other Purposes dated February 10, 2004

Year-End Bonus (YEB) and Cash Gift (CG) (BC No. 2016-4)

Coverage

- **Civilian** personnel, whether regular, contractual, or casual, appointive or elective, full-time or part-time, in the Executive, Legislative and Judicial Branches, the Constitutional Commissions and other Constitutional Offices, SUCs, and GOCCs covered by the CPCS under RA No. 6758, as amended; and in LGUs.
- **Military and uniformed personnel**

The Year-End Bonus equivalent to **1 month basic pay** as of October 31 and Cash Gift of **₱5,000** shall be given not earlier than November 15 of the current year, subject to the following conditions:

- Personnel has rendered at least a total or an aggregate of **4 months of service from January 1 to October 31** of the current year; and
- Personnel **remains to be in government service as of October 31** of the same year.

Year-End Bonus and Cash Gift

Those who have rendered at least 4 months of service from January 1 of the current year, but have **retired or separated** from government **before October 31** of the same year:

- shall be granted within the month of retirement or separation, a prorated share of the: (a) Year-End Bonus; and (b) Cash Gift of ₱5,000, as follows:

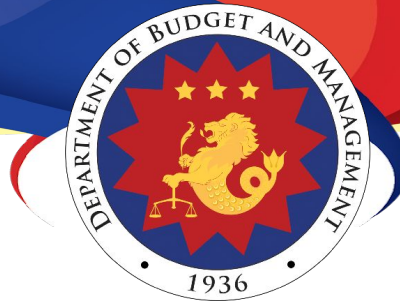
Length of Service	Percentage of the Year-End Bonus and Cash Gift
4 months but less than 5 months	50%
5 months but less than 6 months	60%
6 months but less than 7 months	70%
7 months but less than 8 months	80%
8 months but less than 9 months	90%
9 months but less than 10 months	95%

Year-End Bonus and Cash Gift

Those who have rendered **less than 4 months** of service from January 1 to October 31 of the current year and are **still in the service** as of October 31 of the same year:

- shall be entitled solely to a pro-rated Cash Gift, as follows:

Length of Service	% of ₱5,000	Amount
3 months but less than 4 months	40%	₱2,000
2 months but less than 3 months	30%	1,500
1 month but less than 2 months	20%	1,000
Less than one month	10%	500



Specific-Purpose Allowances and Benefits

Specific-Purpose Allowances and Benefits

Given to employees across agencies under specific conditions and situations related to actual performance of work; at prescribed rates and guidelines.

1. RATA
2. Per Diem
3. Honoraria
4. Night Shift Differential Pay
5. Overtime Pay
6. Non-Monetary Remuneration for Overtime Services
7. Subsistence Allowance
8. Hazard Duty Pay
9. Special Counsel Allowance

Representation and Transportation Allowances (RATA) (National Budget Circular (NBC) No. 548 dated May 15, 2013)

Nature of RATA

- a. RATA - collective term for 2 distinct but complementary allowances: Representation Allowance (RA) and Transportation Allowance (TA).
- b. Both allowances are given to select officials to cover related expenses incidental to and in connection with the **actual performance** of their functions.
- c. RATA may either be **commutable or reimbursable**.

RATA is commutable if the grant thereof is specifically authorized by law and if funds for its payment are provided for in the agency budget. Payment of RATA presupposes actual rendition of services in line with official duties.

Reimbursable RATA should be duly supported by receipts or a certificate to the effect that the expenses had been incurred in accordance with the purpose for which the allowances are granted.

Per Diem (BC No. 2003-6)

Coverage

- Chairpersons, vice-chairpersons and members of collegial bodies in NGAs and GOCCs; and
- Chairpersons and members of the Board of Regents/Trustees of SUCs

Not Covered

- Department Secretaries, Undersecretaries and Assistant Secretaries occupying ex-officio positions in governing boards, commissions, councils and similar bodies - in view of Supreme Court ruling in the case, Civil Liberties Union vs. Executive Secretary (G.R. No. 83896), dated February 22, 1991;
- Appointed chairpersons, vice-chairpersons and members of collegial bodies who receive salaries and other compensation;
- Chairpersons, vice-chairpersons and members of collegial bodies who are paid honoraria pursuant to existing laws; and
- Members of local regulatory boards, quasi-judicial bodies and similar bodies wherein rules on per diem are covered by separate guidelines.

Per Diems of Members of Collegial Bodies

Per diems of chairpersons, vice-chairpersons, and members of collegial bodies:

Chairpersons	Amount equivalent to 25% of monthly RATA of the chief operating officer of the collegial body for every meeting actually attended but not to exceed 4 paid meetings in a month.
Vice-Chairpersons/ Members	Amount equivalent to 25% of monthly RATA of the second ranking official of the collegial body for every meeting actually attended but not to exceed 4 paid meetings in a month.

Honoraria (BC No. 2007-1)

- Honoraria is given as token of appreciation or reward for gratuitous services on account of one's broad and superior knowledge or expertise in a specific field for which, going by custom, tradition or propriety, no fixed price is set.
- Honoraria is granted to personnel for performance of tasks or involvement in activities beyond their regular functions

Coverage

Lecturers, resource persons, coordinators and facilitators who hail from NGAs, including SUCs, GOCCs, and LGUs, or from the private sector.

Who may receive honoraria

Personnel who act as lectures, resource persons, coordinators or facilitators **outside of their mother agencies**, may be paid honoraria at rates determined by the agency concerned in accordance with the following guidelines.

Honoraria Due to Assignment in Government Special Projects (BC No. 2007-2)

- **Special project** - an undertaking of a composite group of officials and employees which is not among the regular and permanent functions of their respective agencies. Such undertaking may be locally funded or foreign-assisted, is reform-oriented, or developmental in nature, and contributory to improvement of service delivery and enhancement of performance of core functions.
- **Coverage and Exclusion**
 - The guidelines **apply** to all personnel of NGAs, SUCs, GOCCs, and LGUs who are designated to participate in special projects on part-time basis.
 - It **does not apply** to personnel on re-assignment or full-time detail to special projects since they are already regularly compensated in the form of salaries.

Honoraria for Personnel Involved in Government Procurement (BC Nos. 2004-5A and 2007-3)

Guidelines

- The chair and members of the BAC and TWG may be paid honoraria only for successfully completed procurement projects.
- Successfully completed - once the contract has been awarded to the winning bidder.
- Payment of honoraria - limited to procurement that involves competitive bidding:
 - Open and competitive bidding;
 - Limited source bidding;
 - Negotiated procurement under Section 53(a) of the IRR-A, where there has been failure of bidding for the second time;
 - Negotiated procurement under Section 53(b) of the IRR-A following the procedures under Section 54.2(b) thereof, whereby at least 3 suppliers will be invited to submit bids.

Night Shift Differential Pay (RA No. 11701)

Coverage

Government employees occupying position items from Division Chief and below, or their equivalent, including those in GOCCs whether the nature of their employment is permanent, contractual, temporary, or casual, shall be paid night shift differential at a **rate not exceeding twenty percent (20%) of the hourly basic rate of the employee**, as determined by the head of the agency, for **each hour of work performed between the hours of 6:00 in the evening and 6:00 in the morning of the following day**: Provided, that the night shift differential pay provided under the RA shall be **in addition** to and shall not in any way diminish whatever benefits and allowances are presently enjoyed by government employees.

Hourly basic rate refers to **basic salary rate per hour** derived by **dividing the basic monthly rate by twenty-two (22) working days**, and **dividing the quotient derived by eight (8) hours**.

Night Shift Differential Pay

Not covered

- Government employees whose schedule of office hours fall between 6:00 in the morning to 6:00 in the evening. Services rendered beyond the regular eight (8)-hour work schedules are paid overtime pay in accordance with existing laws, rules and regulations; and
- Government employees whose services are required, or are on call, twenty-four (24) hours a day such as uniformed personnel of the AFP, the PNP, the BJMP, the BFP, and others similarly situated, as may be determined by the CSC and the DBM.

Overtime (OT) Pay (CSC-DBM JC No. 02, s. 2015)

General Policies on Overtime Services

- OT services - authorized only when **extremely necessary**, e.g., when non-completion of an activity within regular work hours will: a) cause financial loss to government; b) embarrass government due to inability to meet its commitments; or c) negate the purposes for which the activity was conceived.
- As a **general rule**, remuneration for OT services shall be through **Compensatory Time-off (CTO)** in accordance to CSC-DBM JC No. 2, s. 2004 and No. 2-A, s. 2005.
- **OT pay in cash authorized in exceptional cases** when application of CTO would adversely affect operations.

Overtime Pay

Payment of OT Services

- **OT pay** = 125% of hourly rate (HR) on scheduled workday; and 150% of HR on rest day or scheduled day off, holiday, or special non-working day.
- **Total OT pay** - based on number of hours of OT service on a scheduled workday, N_1 , and those rendered on rest day or scheduled day off, holiday, or special non-working day, N_2 ,
- To compute:

$$\text{HR} = \left[\frac{S}{1 \text{ month}} \right] \left[\frac{1 \text{ month}}{22 \text{ days}} \right] \left[\frac{1 \text{ day}}{8 \text{ man-hours}} \right]$$

$$\text{OT Pay} = \text{HR} [1.25(N1\text{Total}) + 1.5(N2\text{Total})]$$

Subsistence Allowance

Purpose of Subsistence Allowance - provision for meal or sustenance of personnel who, by the nature of duties and responsibilities, **have to make their services available in their places of work even during mealtimes** (authorized under Section 69, Chapter 7, Book VI, EO No. 292)

Who may be granted Subsistence Allowance

- Marine officers, engineers, and crew of government vessels, launches, and motorboats, who take their meals on the mess when abroad said vessels, launches or motorboats;
- Officials and employees required to render services within penal institutions, military installations and other similar institutions, and required to live within these premises for continuous periods that include meal times;
- Lightkeepers and other employees in light stations authorized by head of agency to receive subsistence allowance;
- Laborers temporarily fielded to isolated or unsettled areas; and
- Other personnel authorized by specific law to be granted subsistence allowance subject to certain conditions. Ex. Public health workers

Hazard Duty Pay (HDP) **(General Provisions, Annual GAA, and BC No. 2005-4)**

HDP - compensation premium for those actually assigned to, and performing their duties in strife-torn or embattled areas as certified by the Secretary of National Defense (Amount: P400 to P600/month)

Coverage

Personnel in NGAs and LGUs, under permanent or temporary status, and casuals and contractuels who are actually assigned to and performing their duties in strife-torn or embattled areas.

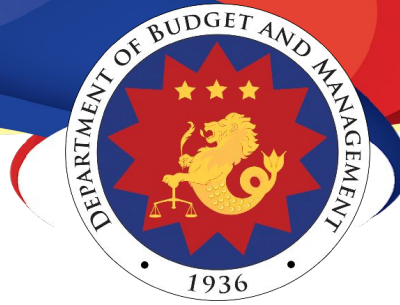
Not Covered

Those entitled to HDP under existing laws, such as MUP, PHWs and S&T personnel; and those not actually assigned to nor performing their duties in strife-torn or embattled areas.

Special Counsel Allowance

- **Special Counsel Allowance** - authorized under the General Provisions in the annual GAA to be granted to government lawyers assigned in the legal staff of agencies at **P5,000** for each **appearance or attendance to court hearings**, subject to the following:
 - The lawyer has been **deputized** by OSG or authorized by the agency head to assist OSG, prosecutors, or represent the agency or its personnel as counsel;
 - The court appearance is not pursuant to motions for extension of postponement of hearing; and
 - The aggregate allowance shall not exceed 50% of the lawyer's monthly basic salary.

Courts shall pertain to those under the Judiciary and not to quasi-judicial and administrative agencies.



Incentives

Incentives

- To reward an employee's loyalty to gov't service and contributions to an agency's continuing viable existence.
- As rewards for exceeding agency performance targets and to motivate employee productivity.
 1. Loyalty Award
 2. Anniversary Bonus
 3. Mi-Year Bonus
 4. Productivity Enhancement Incentive
 5. Collective Negotiation Agreement Incentive
 6. Performance-Based Bonus
 7. Program on Awards and Incentives for Service Excellence

Loyalty Award

CSC Memorandum Circular (MC) No. 06, s. 2002 - guidelines on the grant of Loyalty Award, which was renamed as Loyalty Incentive under JR No. 4, s. 2009

Granted to personnel in the national and local governments including those in SUCs and GOCCs with original charter who rendered 10 years of continuous and satisfactory service in government

Loyalty memorabilia/souvenir:

- 10 and 15 years – bronze service pin
- 20 and 25 years – silver service ring
- 30, 35 and 40 years – gold service medallion
- -or other memorabilia/souvenir as may be provided in the agency PRAISE

In addition, a cash gift of not less than ₱500 not more than ₱1,000.00 for every year of service shall be given to qualified officials/employees.

Anniversary Bonus (Administrative Order (AO) No. 263 dated March 28, 1996)

Anniversary Bonus (AB)

A financial incentive granted to employees on the occasion of their agencies' milestone years (15th year and every 5 years thereafter).

Coverage

All personnel under permanent, temporary, contractual or casual status, elective or appointive, who have rendered at least one year of service in the agency as of date of milestone year and continue to be employed in the same agency as of the occasion of its milestone anniversary.

Not Covered

- Those absent without leave as of date of milestone year;
- Those no longer in the service in the same agency as of date of milestone year.

Anniversary Bonus

Guidelines

- The AB shall be at **₱3,000** per employee.
- In case of insufficient funds, a lesser but uniform amount of AB may be paid.
- A milestone year refers to the **15th anniversary** and to **every 5th year** thereafter.
- For NGAs including SUCs, the amounts shall be charged against **savings from released allotments for current operating expenses**, provided that all authorized mandatory expenses shall have been paid first.

Mid-Year Bonus (MYB) (RA No. 11466 and BC No. 2017-2)

Guidelines

The MYB equivalent to one (1) month basic pay as of May 15 shall be given to entitled personnel not earlier than May 15 of the current year, subject to the following:

- Employee is still in the service as of May 15 of the current year;
- Has rendered at least a total or an aggregate of 4 months of service from July 1 of the immediately preceding year up to May 15 of the current year; and
- At least a satisfactory performance rating in the immediately preceding rating period.

Productivity Enhancement Incentive (PEI) (BC No. 2017-4)

Coverage

- Civilian personnel, whether regular, casual, or contractual in nature, appointive or elective, in the Executive, Legislative, and Branches, the Constitutional Commissions and other Constitutional Offices, SUCs, GOCCs not covered by RA No. 10149, and local water districts (LWDs); and in LGUs; and
- Military and uniformed personnel.

Guidelines

The PEI of ₱5,000 shall be given not earlier than December 15 of the current year, subject to the following conditions:

- The employee is still in the service as of November 30 of the current year; and
- The employee has rendered at least a total or an aggregate of 4 months of at least satisfactory service as of November 30 of the current year, including leaves of absence with pay.

Collective Negotiation Agreement (CNA) Incentive (BC No. 2022-3)

Background

- AO No. 135, s. 2005² authorized the grant of CNA Incentive to NGAs, LGUs, SUCs, and GOCCs. The same AO directed the DBM to issue the policy and procedural guidelines to implement the provisions thereof.
- Senate and House of Representatives JR No. 4, s. 2009 stipulated that the CNA Incentive may be granted to both management and rank-and-file employees of agencies with approved and successfully implemented CNAs in recognition of their efforts in accomplishing performance targets at lesser cost, and in attaining more efficient and viable operations through cost-cutting measures and systems improvement. [*Item (4)(h)(ii)(aa)*]
- The General Provisions of the annual GAA contain rules in the grant of the CNA Incentive. [*Sec. 79, General Provisions, FY 2022 GAA*]

² Authorizing the Grant of Collective Negotiation Agreement (CNA) Incentive to Employees in Government Agencies dated December 27, 2005

Collective Negotiation Agreement Incentive

Coverage

Civilian personnel occupying regular, contractual, or casual positions in NGAs, including Constitutional Offices enjoying fiscal autonomy, SUCs, GOCCs, LWDs, and LGUs, whether or not covered by RA No. 6758:

- Rank-and-file employees who are **members** of an employees' organization accredited by the CSC as the sole and exclusive negotiating agent (hereinafter referred to as "negotiating agent") in accordance with rules and regulations issued by the Public Sector Labor Management Council (PSLMC)
- Rank-and-file employees who are **non-members** of the CSC-accredited sole and exclusive negotiating agent but want to enjoy or accept benefits under the CNA, subject to payment of agency fee to the negotiating agent in accordance with PSLMC Resolution No. 1, s.1993
- Those who perform **managerial functions**.

Collective Negotiation Agreement Incentive

Conditions for the Grant of the CNA Incentive

1. Existence of a CNA
2. Accomplishment of Targets
3. Submission of Accountability Reports

Fund Sources of the CNA Incentive

- For NGAs, Constitutional Offices, SUCs, GOCCs, LWDs, and LGUs - from available balances of allowable MOOE allotments after considering the FY 2021 requirements
- Provided that the same have become available as a result of cost-cutting and systems improvement measures undertaken collectively by the agency and its personnel.
 - Communication Expenses
 - Repairs and Maintenance
 - Supplies and Materials Expenses
 - Transportation and Delivery Expenses
 - Traveling Expenses
 - Utility Expenses

Program on Awards and Incentives for Excellence (PRAISE)

- The PRAISE instituted by CSC pursuant to EO No. 292 has been categorized under the Incentive component of the TCF (RA No. 11466)
- The guidelines on the monetary and/or non-monetary rewards for recognition of personnel under the PRAISE shall be issued by CSC in consultation with DBM.



UPDATES ON THE FY 2021 PERFORMANCE-BASED BONUS (PBB)

Performance-Based Incentive System (EO No. 80)

Adoption of a Performance-Based Incentive System (PBIS) consisting of the **Productivity Enhancement Incentive (PEI)** and the **Performance-Based Bonus (PBB)** beginning FY 2012.

- The **PEI**, in the amount of ₱5,000, shall continually be granted across-the-board, in accordance with the guidelines issued by DBM.
- The **PBB**, a top-up bonus, shall be given to personnel of delivery units in accordance with their contribution to the accomplishment of their Department's overall targets and commitments, subject to the following criteria:
 - Achievement of performance targets; and
 - Accomplishment of good governance conditions set by the AO 25 Inter-agency Task Force (IATF).

Status of the FY 2021 PBB Releases

Hereunder are the updated data **as of April 21, 2023**:

No. of Entitled Departments/Agencies
139 out of 175 ³

Possible Reasons for Pending FY 2021 PBB Evaluation

- Awaiting submission of Form 1.0 from the Department/Agencies
- Awaiting submission of Revised Form 1.0 from the Department/Agencies

³ Subject to change per the A025 Secretariat due to voluminous request for reconsideration on the validation results for the FY 2021 PBB.



SERVICE RECOGNITION INCENTIVE (SRI) AND GRATUITY PAY

Updates on the Service Recognition Incentive (SRI) (BC No.2022-4)

Background

- AO No. 1 dated December 16, 2022 authorizes the grant of a one-time Service Recognition Incentive (SRI) for FY 2022 at a uniform amount not exceeding **twenty thousand pesos (₱20,000)** for each qualified government employee.
- The one-time SRI for FY 2022 is granted to government employees in recognition of their collective and invaluable contribution to the government's continuing efforts to ensure the responsive delivery of services to the public, especially in the midst of the continuing public health emergency due to the COVID-19 pandemic and other socio-economic challenges.

Updates on the Service Recognition Incentive

Coverage

- Civilian personnel in national government agencies (NGAs), including those in SUCs and GOCCs, occupying regular, contractual or casual positions;
- MUPs;
- Employees in the Legislative and Judicial Departments and other offices vested with fiscal autonomy;
- Employees in LGUs; and
- Employees in LWDs

Updates on the Service Recognition Incentive

Not entitled

- Those engaged without an employer-employee relationship and whose compensation are funded from non-Personnel Services (PS) appropriations/budgets are excluded from the grant of the SRI, such as:
 - Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
 - Laborers engaged through job contracts (pakyaw) and those paid on piecework basis;
 - Student-workers and apprentices; and
 - Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated

Updates on the Service Recognition Incentive

Conditions and Guidelines on the Grant of the One-Time SRI

- The civilian personnel are occupying regular, contractual or casual positions
- The personnel are still in the service as of **November 30, 2022**
- The personnel have **rendered at least a total or an aggregate of four (4) months of satisfactory** service as of November 30, 2022, inclusive of services rendered under any of the alternative work arrangements prescribed by the Civil Service Commission.

Updates on the Gratuity Pay (BC No. 2022-5)

Background

- Administrative Order (AO) No. 03 s. 2022 authorizes the grant of the one-time Gratuity Pay **not exceeding Five Thousand Pesos (₱5,000)** for each qualified worker whose services are directly engaged through COS and JO.
- COS and JO workers do not enjoy benefits accorded to regular government employees such as Personnel Economic Relief Allowance, and Mid-Year and Year-End Bonuses as they have no employer-employee relationship with the government.

For that reason, the grant of a year-end Gratuity Pay to COS and JO workers is a well-deserved recognition of their hard work in implementing programs, projects and activities, as well as pivotal role in the delivery of government services amidst the ongoing COVID-19 pandemic and present socio-economic challenges.

Updates on the Gratuity Pay

Covered

- This Circular covers all COS and JO workers whose services are directly engaged by Departments, Bureaus, Offices, and Agencies of the National Government, including Constitutional Offices enjoying fiscal autonomy, SUCs, GOCCs, and LWDs.

Not entitled

- Institutional COS workers assigned in government agencies are excluded from the coverage of the Circular.

Consistent with existing guidelines, the contractor or service provider shall be responsible for providing the institutional COS workers with compensation and benefits compliant with existing labor law, including the necessary social security and other benefits mandated by law.

Updates on the Gratuity Pay

Guidelines on the Grant of Gratuity Pay

- The grant of the one-time Gratuity Pay to COS and JO workers, not exceeding ₱5,000 per person, shall be subject to the following conditions:
 - The COS and JO workers have rendered a total or an aggregate of at least four (4) months of actual satisfactory performance of service as stipulated in their respective contracts, as of December 15, 2022; and
 - The contracts of the COS and JO workers are still effective as of December 15, 2022.



UPDATES ON THE ENGAGEMENT OF CONTRACT OF SERVICE (COS) AND/OR JOB ORDER WORKERS (JO)

Rules and Regulations on Contract of Service (COS) and Job Order (JO) Workers

COA-DBM Joint Circular No. 2, s. 2020 dated October 20, 2020 provided for the updated rules and regulations governing COS and JO workers in the government.

Coverage

This Joint Circular covers all NGAs, GOCCs with original charters, SUCs, and constitutional bodies, which avail of the services of COS or JO workers.

Definition of Terms

Contract of Service

Engagement of services of an individual, private firm, other government agency, non-government agency or international organization as consultant, learning service provider or technical expert to undertake a special project or job within a specific period.

Job Order

A piece work (*pakyaw*) or intermittent or emergency jobs such as clearing of debris, canals, waterways, etc., other manual, trades and crafts services such as carpentry, plumbing, electrical. These jobs are of short duration and for a specific piece of work.

COA-DBM JC No. 2, s. 2022

- Amended Section 11 (Transitory Provisions) of the DBM-COA JC No. 2, s. 2020:
 - Agencies may engage the services of new COS and JO workers through individual contract and renew existing individual contracts until December 31, 2024
 - Thereafter, the engagement of COS and JO workers shall be in accordance with the provisions of COA-DBM JC No. 2, s. 2020



UPDATES ON THE COMPENSATION STUDY

Updates on the Compensation Study

- The last compensation survey was done in 2019 which became the basis for the compensation adjustments under RA No. 11466, and this year, 2023, marks the fourth and final tranche of the implementation of SSL 5.
- We allocated a budget (₱48M) under the FY 2023 GAA for the conduct of a compensation survey.
- The Terms of Reference regarding the engagement of a consulting firm to conduct the SSL study is already for consideration of the principals of the DBM and GCG.
- A parallel review of the compensation package of government personnel is also being undertaken by the DBM.

Thank
you

