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**INTER-AGENCY TASK FORCE  
ON THE HARMONIZATION OF NATIONAL GOVERNMENT PERFORMANCE  
MONITORING, INFORMATION AND REPORTING SYSTEMS  
(Administrative Order No. 25 S. 2011)**

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**MEMORANDUM CIRCULAR No. 2012-05**

January 14, 2013

**TO :** All Heads of Departments, Bureaus, Offices and other Agencies of the National Government, including State Universities and Colleges, and Government-Owned or-Controlled Corporations under the Coverage of the Department of Budget and Management

**SUBJECT :** Guidelines to Clarify the Eligibility and the Ranking of Personnel in Line with the Grant of Performance-Based Bonus (PBB) for FY 2012

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**1.0 BACKGROUND**

The guidelines for determining eligibility of government personnel to the PBB are stipulated in the following provisions of Memorandum Circular (MC) No. 2012-03<sup>1</sup> dated November 12, 2012:

1.1 Item 3.2, which states the coverage of the PBB scheme:

*"All government officials and employees in the Departments, Agencies, SUCs and GOCCs holding regular plantilla positions, and all contractual and casual employees having an employer-employee relationship with these Departments, Agencies, SUCs and GOCCs; who are in the government service as of November 30, 2012; and have rendered at least four (4) months service during the year as of November 30, 2012."*

1.2 Item 6.1, which states that officials and employees of bureaus, offices or delivery units that qualified for the PBB, based on the criteria and conditions set therein, shall be forced ranked.

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<sup>1</sup> Guidelines on Determining Eligibility and Ranking Bureaus, Delivery Units, and Individuals Based on Performance in Line with the Grant of the Performance-Based Bonus (PBB) in FY 2012

## **2.0 PURPOSE**

This Memorandum Circular is issued to clarify the guidelines on the eligibility and the ranking of officials and employees and other requirements for purposes of the grant of the PBB for FY 2012.

## **3.0 GUIDELINES**

The following guidelines shall be observed in determining eligibility and the ranking of personnel within the bureaus, offices or delivery units that qualify for the PBB:

- 3.1 The personnel are still in the service as of November 30, 2012 and have rendered at least four (4) months of service as of said date.
- 3.2 Employees belonging to the First and Second Levels should receive a rating of at least 'Satisfactory' under the CSC-approved Performance Appraisal System (PAS).
- 3.3 Officials belonging to the Third Level should receive a rating of at least 'Very Satisfactory' under the Career Executive Service Performance Evaluation System (CESPES). Payment of the PBB to Third Level officials shall be contingent on the results of the CESPES.
- 3.4 Other Officials not covered by the CESPES should receive a rating of at least 'Satisfactory' under the existing Performance Appraisal System of the department/agency.
- 3.5 The contractual and casual personnel who may be entitled to the PBB shall be those whose compensation are charged to the lump sum appropriation under Personal Services; or those occupying positions in the DBM-approved contractual staffing pattern of agencies concerned. They may be included in the ranking along with the regular personnel.
- 3.6 Personnel on detail to another government agency for three (3) months or more as of November 30, 2012 shall be included in the ranking of employees in the recipient agency which rated his/her performance.
- 3.7 Personnel on scholarship may be included in the ranking, provided they qualify based on the performance criteria established by the

Performance Management Group (PMG)<sup>2</sup> and approved by the Agency Head.

- 3.9 The PBB of employees on part-time basis shall be pro-rated corresponding to the services rendered.
- 3.10 Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2012 shall not be entitled to the FY 2012 PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 3.11 The Office of the Secretary (OSEC) in a Department or an equivalent unit in Department-level agencies shall be considered as one (1) delivery unit to include the OSEC itself and all the Offices of the Department Undersecretaries and Assistant Secretaries. All officials and employees within OSEC shall be ranked accordingly.
- 3.12 The Third Level officials within the bureaus/offices/delivery units (such as the Bureau Directors and Assistant Directors) may be ranked in either of two (2) ways, subject to the recommendation of the PMG and approval of the Agency Head:
  - 3.12.1 Include said officials in the ranking of personnel within each bureau/office/delivery unit; or,
  - 3.12.2 Include said officials in the ranking of personnel within OSEC.

#### **4.0 OTHER REQUIREMENTS**

- 4.1 For proper review, attached agencies/offices are reminded to submit their PBB compliance requirements to their respective mother departments, which shall in turn consolidate and submit said reports to their respective Budget and Management Bureau, DBM and the AO 25 Secretariat. Voluminous supporting documents on the good governance certifications (copy of contracts, cash advance liquidation documents, etc) are not necessary to be submitted.
- 4.2 To facilitate validation of the PhilGEPS posting, Departments/Agencies are requested to indicate the Reference Number of the Invitations to Bid and the Project Title consistent with the number and title posted in PhilGEPS.

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<sup>2</sup> Item 5.5 of MC No. 2012-03 dated November 12, 2012 provides that the Department Secretary/Head of Agency may task a Performance Management Group to assist in undertaking the forced ranking of delivery units and individuals.

4.3 To facilitate the validation of Citizen's Charter, Departments/Agencies are reminded to ensure compliance with Section 6 of the Anti-Red Tape Act of 2007 and Rule IV of its Implementing Rules and Regulations:

4.3.1 The service standards known as the Citizen's Charter enumerating the following was established:

- i. Vision and mission of the agency
- ii. Frontline services offered
- iii. Step-by-step procedure in availing of frontline services
- iv. Employee responsible for each step
- v. Time needed to complete the procedure
- vi. Amount of fees
- vii. Required documents
- viii. Procedure for filing complaints

4.3.2 The Citizen's Charter is posted as information billboards in all the service offices of the department/agency that deliver frontline services.

4.3.3 The Citizen's Charter is positioned at the main entrance of the office or at the most conspicuous place of all the said service offices.

4.3.4 The Citizen's Charter is published, written either in English, Filipino, or in the local dialect.

## 5.0 EFFECTIVITY

This Circular shall take effect immediately.

  
**FLORENCIO B. ABAD**

Secretary, Department of Budget and Management  
and Chairman, AO 25 Inter-Agency Task Force

## PBB Distribution Matrix

| Bureau Category                  | Individual Category/ Proportion of Employees |   |  |
|----------------------------------|--|---|--|
|                                  | Best Performer                               | Better Performer                            | Good Performer                             |
| Best Bureau<br>(delivery unit)   | Php35,000<br>(1% of eligible employees)      | Php20,000<br>(2.5% of eligible employees)   | Php10,000<br>(6.5% of eligible employees)  |
| Better Bureau<br>(delivery unit) | Php25,000<br>(2.5% of eligible employees)    | Php13,500<br>(6.25% of eligible employees)  | Php7,000<br>(16.25% of eligible employees) |
| Good Bureau<br>(delivery unit)   | Php15,000<br>(6.5% of eligible employees)    | Php10,000<br>(16.25% of eligible employees) | Php5,000<br>(42.25% of eligible employees) |

**Assumptions:**

- All bureaus/delivery units achieved at least 90% of their targets
- No individual has a rating of "Below Satisfactory"