



OCT 01 2021

MEMORANDUM CIRCULAR NO. 20
Series of 2021

SUBJECT : GUIDELINES IN THE RANKING AND DISTRIBUTION OF THE 2021 PERFORMANCE-BASED BONUS

I. LEGAL BASES

- GCG Memorandum Circular Nos. 2019-02 dated July 25, 2019 re: Interim Performance-Based Bonus;
- AO 25 Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring Information and Reporting System dated June 3, 2021; and
- Governance Commission on GOCCs (GCG) Memorandum Circular No. 2021-02 dated September 6, 2021 re: Good Governance Conditions (GGC) and Other Conditions and Requirements (OCRs) for the grant of Interim Performance-Based Bonus (PBB).

II. COVERAGE – This Circular shall cover all MIAA officers and employees holding regular, contractual and casual positions.

III. ELIGIBILITY FOR THE GRANT OF PBB - The grant of PBB shall be based on the overall MIAA's performance, and then distributed to individual Officers and Employees based on their performance ranking.

A. AGENCY

In order to be eligible to grant the PBB, the MIAA must satisfy the following criteria and conditions:

1. Achieve weighted-average score of at least 90% in its 2021 Performance Scorecard;

- 1.1 Measures wherein the accomplishments for the same cannot be objectively verified by the GCG on account of inadequate or incomplete documentation by the GOCC on how such accomplishments were determined may be given an automatic zero score.

2. Satisfy 100% of the Good Governance Conditions (GGCs) as follows:

2.1 Conditions Specific to GOCCs covered by R.A. No. 10149:

(a) The GOCC has satisfied all statutory liabilities, including:

- Payment of all taxes due to the Government as certified by the Bureau of Internal Revenue;
- Declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable, as certified/validated by the Department of Finance (DOF).
- Payment of NG Advances as certified/validated by the DOF; and
- Remittances of mandatory contributions as certified/validated by the following agencies: GSIS or SSS, PAG-IBIG and Philhealth

(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 amendments thereto;

(c) Compliance with all the requirements mentioned in the *Revised Whistleblowing Policy for the GOCC Sector* and amendments thereto:

(d) Compliance with the Executive Order on Freedom of Information Executive Order No. 2, s. 2016 as certified/validated by the Presidential Communications Operations Office (PCOO);

(e) Compliance with posting on the GOCC's website the information enumerated under Section 43 of *Code of Corporate Governance for GOCCs* and amendments thereto; and

(f) Compliance with the applicable financial reporting frameworks (e.g. PFRS, PPSAS) as certified/validated by the Commission on Audit (COA).

2.2 Non-compliance with any of the GGCs will render the entire GOCC ineligible for the PBB.

3. Other conditions and requirements (OCRs) All GOCCs are required to comply with the following conditions and requirements:

- 3.1 Maintain and/or attain certification on the GOCC's Quality Management System (QMS) or its equivalent certification;
- 3.2 Timely submission and posting of Annual Procurement Plans (APP) and result of the Agency Procurement Compliance and Performance Indicator (APCPI) system pursuant to applicable rules and regulations;
- 3.3 Timely submission of Corporate Operating Budget (COBs) to the Department of Budget and Management (DBM);

- 3.4 Submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it was received from the COA, all written communications between the GOCC and COA on such matters, which shall include, but not limited to, the concrete and time bound action plans for addressing the audit observations and notices of disallowances;
- 3.5 Compliance and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to the policies and guidelines under "Policies and Guidelines on the Integrated Corporate Reporting System (ICRS) for the GOCC Sector and amendments thereto;
- 3.6 Compliance by all Appointive Directors of the Governance Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to the "Performance Evaluation for Directors (PED)" and amendments thereto;
- 3.7 Timely submission of the year-end financial statements and other related financial reports to the COA.

4. Other conditions common to National Government Agencies and GOCCs as stated in the applicable AO 25 IATF PBB Circular, including but not limited to:

- (a) Updating of Transparency Seal;
- (b) Updating of Citizen's Charter;
- (c) PhilGEPS Posting of all invitations to bids and awarded Contracts;
- (d) Compliance to Audit Findings and Liquidation of Cash Advances;
- (e) Establishment and Conduct of the Agency Review and Compliance of SALN;
- (f) Compliance with the Freedom of Information (FOI) Program;
- (g) Submission of FY 2022 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE), FY 2021 Non-Common Use Supplies and Equipment (APP-Non CSE), Indicative FY 2022 APP, and the result of FY 2020 Agency Procurement Compliance and Performance Indicators (APCPI) System; and
- (h) Undertaking of Early Procurement Activities covering 2022 Procurement Projects.

B. OFFICES

1. The ranking of offices 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 setting the parameters and standards in the validation of OPCR's;
2. All Offices who failed to submit their OPCR form/s on the 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 2021;

LATE SUBMISSION	DEDUCTION FROM AVERAGE FINAL RATING
1 st Semester after deadline	0.05
2 nd Semester after deadline	0.15
Submission before the final notice	0.25

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

C. INDIVIDUAL OFFICERS AND EMPLOYEES

1. All Officers and Employees of the MIAA who occupy regular, casual or contractual positions with employer-employee relationship, shall be entitled to full grant of the PBB from MIAA at the time of the release of the PBB. Provided, they have rendered an aggregate of at least nine (9) months of service in the public sector for the applicable PBB year. Officers and Employees who do not meet the 9-month service requirement but have at least 3 months of service shall be entitled to PBB on a pro-rata basis, as provided in GCG MC 2019 – 02 s. 2019:

1.1 Eligibility of Individual Officers and Employees of MIAA

- (a) Employees belonging to the First, Second and Third levels should received a rating of at least “Satisfactory” based on the agency’s CSC-approved Strategic Performance Management System (SPMS), or equivalent, or the requirement prescribed by the Career Executive Service Board (CESB).
- (b) Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of PBB shall come from the mother agency.
- (c) 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;
- (d) Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB, shall be rated by the agency where he/she served the longest; the official/employees shall be eligible for the grant of PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated thereto;
- (e) An official or employees who has rendered a minimum of nine (9) months of service during the fiscal year and with at least “Satisfactory” rating may be eligible to the full grant of PBB.
- (f) 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 pro-rata basis corresponding to the actual length of service rendered, as follows:

Length of Service % of PBB	% 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:

- Being newly hired employee;
- Retirement;
- Resignation;
- Rehabilitation Leave;
- Maternity and/or Paternity Leave;
- Vacation or Sick Leave with or without pay;
- Scholarship/Study Leave;
- Sabbatical Leave and
- Other Leaves provided for by Law

- (g) 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.
- (h) Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2021 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.
- (i) Officials and employees who failed to **timely** submit the 2020 SALN as prescribed under applicable CSC rules: or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2021 PBB
- (j) Officials and employees who failed to liquidate all Cash Advances received in the applicable year within the reglementary period as required by the COA shall not be entitled to the FY 2021 PBB.
- (k) Officials and employees who failed to submit their complete SPMS Forms, or its equivalent, shall not be entitled to the FY 2021 PBB

IV. EXCLUSIONS. - Excluded from the grant of the PBB are those hired without employer-employee relationships and paid from non-Personal Services appropriations/budgets as follows:

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

V. DISTRIBUTION SYSTEM – The General Manager should ensure that only eligible and qualified officers and employees are included in the rating and ranking to be submitted to GCG. Distribution of PBB among qualified Officers and Employees of MIAA who

have complied with the conditions under A.3 and C.1 above shall be in accordance with the following procedures:

A 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 MIAA Board through the Management, to wit:

(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., Senior Assistant General Manager, Assistant General Managers, Department Managers) The General Manager 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 General Manager 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.

(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.

(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.

(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.

B. **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:

(1) **Rates of PBB** - 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 (MBS) as of December 31 2021 based on the table below, but not lower than Php 5,000:

Percentile	PBB as % of MBS
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 the figures and distribute to the "Remaining" level.*

C. **Posting of the System of Ranking Individuals** – MIAA shall post in its Transparency Seal the guidelines/mechanics in ranking the officers and employees according to the mechanism herein stated.

VI. **GRIEVANCE MECHANISM** – All complaints and issues that shall be raised by officers and employees shall be resolved within 30 days upon receipt of the complaint by the PMT who shall conduct the investigation and deliberation. If the officer or employee is not satisfied with the decision of the PMT, the complainant may elevate his/her concerns to the General Manager.

VII. **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 Boards in accordance with applicable laws, rules and regulations.

VIII. **EFFECTIVITY** – This Memorandum Circular takes effect immediately. However, it does not guarantee the release of PBB. The approval and release are dependent on the validation of MIAA's performance for 2021 against the GCG-approved targets and in MIAA's compliance to the governance conditions and other requirements as indicated in the AO 25 IATF PBB Circular.

All other issuance in conflict herewith are hereby superseded.


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