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M.C. No. 72 s. 2016

MEMORANDUM CIRCULAR

TO : THE DEPUTY ADMINISTRATORS, DEPARTMENT/REGIONAL / PROJECT MANAGERS, DIVISION MANAGERS AND OTHERS CONCERNED

SUBJECT : GUIDELINES IN THE RANKING AND DISTRIBUTION OF THE 2016 INTERIM PERFORMANCE BASED BONUS (PBB)

DATE : 14 December 2016

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1.0 RATIONALE

This Circular is being issued to provide guidelines in the Ranking and Distribution of Interim Performance Based Bonus (PBB) for CY 2016 to qualified NIA officials and employees pursuant to Executive Order No. 80, s. 2012. It sets guidelines in the determination of eligibility, distribution and ranking of NIA officials and employees in the grant of 2016 Interim PBB.

2.0 BASIS

The Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring and Reporting Systems, Memorandum Circular 2016-01 re: Guidelines on the Grant of the Performance Based Bonus (PBB) for Fiscal Year 2016 under Executive Order No. 80, particularly Item 6.0 and 7.0, Eligibility of individuals and Ranking of Delivery Units and Individuals, served as the legal bases in the ranking and distribution of the 2016 Interim Performance Based Bonus for NIA officials and employees.

3.0 COVERAGE

NIA officials and Employees occupying regular, casual or contractual positions whose appointments were passed upon by the Civil Service Commission shall be entitled to full at the time of the payout of the PBB; provided, they have rendered an aggregate of at least nine (9) months of service for the year ending 31 December 2016. Officials and employees who do not meet the 9-month requirement but have service least 3 months of service shall be entitled to PBB on a pro-rata basis.

4.0 GUIDELINES

The grant of PBB shall be based on the overall NIA performance, and then distributed to NIA officials and employees based on their performance ranking, pursuant to the "*Performance Evaluation System for the GOCC Sector*" (GCG MC No. 2013-02) NIA, in order to be eligible to grant PBB to its qualified officials and employees must:

- 4.1 Achieve a weighted-average score of at least 90% in its 2016 Performance Scorecard.
- 4.2 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.
- 4.3 Comply with the Good Governance Conditions provided in GCG MC No. 2013-02 and 2014-02.

Conditions Common to National Government Agencies and GOCCs:

- a) Transparency Seal
- b) PhilGEPS Posting
- c) Cash Advance Liquidation
- d) Citizen's Charter
- e) Government Quality Management System Standards (QMSS) pursuant to EO No. 605, s. 2007 and
- f) Compliance with submission and review of SALN of officials and employees

5.0 ELIGIBILITY OF INDIVIDUALS

- 5.1 NIA Employees belonging to the First and Second Level positions should have at least "Satisfactory" rating based on the CSC-approved Strategic Performance Management System (SPMS).
- 5.2 Third level officials should have a rating of at least "*Very Satisfactory*" under the Career Executive Service Performance Evaluation System (CESPES). CESPES covers all incumbents of CES positions in various agencies of the national government including GOCCs with original charter, for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of the results of the CESPES;
- 5.3 Other NIA Officials performing managerial and executive functions who are not presidential appointees are covered by the agency's CSC-approved SPMS and should have a rating of at least "*Satisfactory*"

- 5.4 NIA 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 the PBB shall come from the mother agency.
- 5.5 NIA Personnel who transferred from one government agency to another agency shall be rated and ranked 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.
- 5.6 A NIA employee 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 the PBB.
- 5.7 An employee who rendered a minimum of three (3) months but less than nine (9) months of service and with at least "Satisfactory" rating shall be eligible for the grant of PBB on a pro-rata 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%

- 5.8 The following are the valid reasons for NIA officials and employees who may not meet the nine-month actual service requirement but can still be considered for PBB on a pro-rata basis:
- a. Newly hired employee;
 - b. Retirement;
 - c. Resignation;
 - d. Rehabilitation Leave;
 - e. Maternity Leave and/or Paternity Leave;
 - f. Vacation or Sick Leave with or without pay;
 - g. Scholarship/Study Leave;

- 5.9 Officials and employees who is on vacation or sick leave, with or without pay, for the entire year, is not eligible to the grant of the PBB.
- 5.10 Officials and employees found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2016 shall not be entitled to the PBB. However, if the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 5.11 Officials and employees who failed to submit the 2015 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 4, s. 2016, shall not be entitled to the FY 2016 PBB.
- 5.12 Officials and employees who failed to liquidate Cash Advances received in 2016 within the prescribed period as stated in the prevailing COA Circular, shall not be entitled to the FY 2016 PBB.
- 5.13 Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2015 SALN to the respective SALN repository agencies as prescribed in the rules provided under CSC Memorandum Circular No. 4, s. 2016 and also liquidated 2016 Cash Advances, as this will be a basis for the release of FY 2016 PBB to individuals.

6.0 EXCLUSION

Excluded from the grant of the PBB are the following:

1. Those hired without employer-employee relationships and paid from non-Personal Services appropriations budget 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.

7.0 DISTRIBUTION SYSTEM

Distribution of PBB among qualified NIA officials and employees and have complied with the eligibility rules above shall be entitled to PBB in accordance with the following procedure:

7.1 **Grouping of Personnel** - All NIA officials and employees shall be ranked on a percentile basis within their respective levels as determined by the Governing Board through Top Management in accordance with the following guidelines:

- (a) **Senior Management:** This refers to the executive officers (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) *(Please see Annex A)*.

The Administrator, the highest ranking executive officer, has the prerogative to avail of either the Performance-Based Incentive (PBI) under GCG MC No. 2016-06, or the PBB, *but not both*. In the event the Administrator 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 force ranking of Officers and Employees.

- (b) **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 experts with in-depth technical knowledge, project management and significant influence skills in area of expertise (e.g., Head of Department or Service). *(Please see Annex A)*

- © **Professional and Supervisory:** This level comprises the personnel whose work is primarily achieved by an individual or through 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.). *(Please see Annex B)*.

- (d) **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, Driver-Mechanic, Utility Worker), (*Please see Annex C*).

7.2 Distribution for Qualified NIA Officials and Employees

For each level provided above, the ratings of NIA Officials and Employees under the SPMS or its equivalent shall be quantified to allow for ranking on a percentile basis for the purpose of distribution as follows:

- (a) 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 base on the table below, but not to exceed the ceilings computed by using the same multiple to twice the basic salary of the comparable NGA position as provided in the Annex A (of GCG Memorandum Circular 2015-05. Thus, THE APBB for Profitable GOCCs shall be distributed among its Officers and Employees for CY 2016, as follows:

Percentile	Amount (Php)
Top: Maximum 10%	2.50
Next: Maximum 25%	1.50
Remaining: Minimum 65%	1.00

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

Provided, that the total cost of the PBB shall not result in a net loss for CY 2016 computed before subsidy and unrealized gains/losses, and after taxes.

- (b) **For Losing GOCCs.** - The grant of PBB shall also be based on the performance of individual Officers and Employees with the following fixed rate of incentive; thus, Losing GOCCs shall distribute PBB among its Officers and Employees for CY 2016, as follows:

Percentile	Amount (Php)
Top: Maximum 10%	25,000
Next: Maximum 25%	15,000
Remaining: Minimum 65%	7,500

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

8.0 GRIEVANCE MACHANISM

All PBB-related issues and complaints raised by NIA officials and employees shall be referred to the Deputy Administrator for Administrative and Finance through the Grievance Machinery.

9.0 FUNDING FOR THE 2016 INTERIM PBB

Funds to cover payment of the 2016 Interim PBB shall be charged against COB funds.

10.0 EFFECTIVITY

This Memorandum Circular shall take effect immediately.

11.0 SAVING CLAUSE

This Memorandum Circular is being issued without prejudice to the subsequent release or update that shall be issued by Governance Commission for Government Owned or Controlled Corporations.

Be guided accordingly.

Pth
PETER T. LAVIÑA
 Administrator

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 ADM.

16 December 2016