



Office of the Secretary


DEC 05 2005

DepED ORDER
No. 62, s. 2005

UPDATED RULES AND REGULATIONS ON THE GRANT OF THE YEAR-END BONUS
AND CASH GIFT TO GOVERNMENT PERSONNEL FOR FY 2005
AND YEARS THEREAFTER

To: Undersecretaries
Assistant Secretaries
Directors of Services, Centers and Heads of Units
Regional Directors
Schools Division/City Superintendents
Chiefs of Divisions
All Others Concerned

1. For the information and guidance of all concerned, enclosed is a copy of Department of Budget and Management (DBM) Budget Circular No. 2005-6 dated October 28, 2005, re: "Updated Rules and Regulations on the Grant of the Year-End Bonus and Cash Gift to Government Personnel for FY 2005 and Years Thereafter".
2. Attention is also invited to Items 4.1.4 and 4.1.5, where retirees who have rendered more than 4 months of service before October 31 of the same year may receive proportionate shares of the remaining balance of their cash gifts, while personnel who have rendered less than 4 months of service shall be entitled solely to the pro-rated cash gift.
3. Wide dissemination of this Order is directed.


FE A. HIDALGO
Undersecretary
Officer-in-Charge

Encl.: As stated
Reference: DepED Memorandum: No. 185, s. 2003
Allotment: 1—(D.O. 50-97)
To be indicated in the Perpetual Index
under the following subjects:

ALLOWANCE
EMPLOYEES
OFFICIALS
RULES and REGULATIONS

for info.



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Building I, General Solano Street, San Miguel, Manila



USE CALVAZ PERSONNEL

BUDGET CIRCULAR

RECEIVED
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for Franklin / DEC-53568

No. 2005 - 6
October 28, 2005

TO : HEADS OF NATIONAL GOVERNMENT AGENCIES (NGAs), STATE UNIVERSITIES AND COLLEGES (SUCs), GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS (GOCCs), AND GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), CHIEF EXECUTIVES OF LOCAL GOVERNMENT UNITS (LGUs), AND ALL OTHERS CONCERNED

SUBJECT : UPDATED RULES AND REGULATIONS ON THE GRANT OF THE YEAR-END BONUS AND CASH GIFT TO GOVERNMENT PERSONNEL FOR FY 2005 AND YEARS THEREAFTER

1.0 Purpose

This Circular is issued to consolidate, update, and clarify existing rules and regulations on the grant of the year-end bonus and cash gift, herein collectively referred to as the year-end benefit (YEB), authorized under Republic Act (RA) No. 6686, as amended by RA No. 8441, and the liberalization of the grant thereof pursuant to Section 43 of the General Provisions, Republic Act No. 9336, the FY 2005 General Appropriations Act (GAA).

2.0 Coverage

2.1 All government personnel in NGAs, SUCs, GOCCs, GFIs and LGUs, whether appointive or elective, under permanent, temporary or casual status, and those issued contractual appointments who are under the following instances from January 1 to October 31 of each year:

- 2.1.1 those who have rendered at least a total or an aggregate of 4 months of service including leaves of absence with pay;
- 2.1.2 those who are on approved leave of absence without pay but have rendered at least a total or an aggregate of 4 months of service provided they are not yet dropped from the rolls; and

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DEPARTMENT OF EDUCATION CULTURE & SPORTS
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2.1.3 those who have rendered less than 4 months of service.

The aggregate service requirement of government employees for purposes of the grant of the YEB shall include such services before the termination of their employment during the year under the following modes: resignation, separation not for cause, termination of contract/appointment, or termination of term in office, and such services from the date they were rehired/reappointed during the year to the same or another position in the same or another agency.

2.2 All "punong barangay," "sangguniang barangay" members, "barangay" secretaries and "barangay" treasurers

3.0 Exemptions

All government personnel under the following instances shall not be entitled to the one-half (1/2) YEB or the full YEB:

3.1 those on absence without leave (AWOL);

3.2 consultants, experts, student laborers, apprentices, laborers of contracted projects ("pakyaw"), mail contractors, those paid on piecework bases, and others similarly situated; and

3.3 those who were formally charged administrative cases as well as criminal cases which relate to acts or omissions in connection with their official duties and functions and found guilty and/or meted penalties, subject to the conditions stipulated in item 4.6 hereof

4.0 Rules and Regulations

4.1 Payment of the YEB

4.1.1 Government personnel who have rendered at least a total of 4 months service including leaves of absence with pay from January 1 to October 31 of a particular year, and who are in the service as of October 31 of the same year, shall be entitled to the full YEB based on the basic monthly salaries as of October 31.

4.1.2 One-half (1/2) of the YEB may be paid to government personnel not earlier than May 1 and not later than May 31 of a particular year, based on the basic monthly salaries as of April 30, provided that they have rendered at least 4 months of service including leaves of absence with pay from January 1 to April 30 of the same year, regardless of whether or not they will still be in the service as of October 31 of the same year.

4.1.3 The remaining half or the balance of the full YEBs (due to step increments or promotions) or the full YEBs (for those not granted 1/2 YEBs in May for lack of service requirement) shall be paid not earlier

than November 15 but not later than November 30 of each year, provided that the conditions stipulated under item 4.1.1 are satisfied.

- // 4.1.4 Those who have rendered more than 4 months of service in a given year and are to retire or are to be separated before October 31 of the same year may receive proportionate shares of the remaining balances of their cash gifts in addition to their ½ YEBs received earlier, based on the following scheme, to be paid within the month of retirement/separation:

Month of Retirement/ Separation from the Service	Percentage of P5,000	Corresponding Amount
May	0%	P 0
June	20%	500
July	40%	1,000
August	60%	1,500
September	80%	2,000
October	100%	2,500

- // 4.1.5 Government personnel who have rendered less than 4 months of service as of October 31 of a particular year shall be entitled solely to the cash gift pro-rated as follows:

Length of Service	Percentage of P5,000	Corresponding Amount
3 months but less than 4 months	40%	P2,000
2 months but less than 3 months	30%	1,500
1 month but less than 2 months	20%	1,000
Less than 1 month	10%	500

4.2 Personnel on Part-Time Service

Provided that the conditions stipulated in item 4.1.1 are satisfied, the YEBs for employees on part-time service are as follows:

- 4.2.1 Those who are employed on part-time bases are entitled to the YEBs corresponding to their basic monthly salaries and to the proportionate amounts of their cash gifts.
- 4.2.2 Those who render part-time services in 2 or more different agencies shall be entitled to the YEBs corresponding to each of their total basic monthly salaries provided that each of their total cash gifts do not exceed P5,000.

4.3 Personnel on Full-Time or Part-Time Detail

The YEBs of government personnel on full-time or part-time detail with other agencies shall be paid by their respective mother agencies.

4.4 Transferred Personnel

The YEBs of government personnel who transferred from one agency to another shall be granted by their new offices. If they were granted their ½ YEBs in their former offices, only the remaining balances of their benefits shall be shouldered by their new offices. For this purpose, certifications from the former offices on the grant of the ½ YEBs are necessary.

4.5 Personnel Charged with Administrative Cases

4.5.1 Government personnel formally charged administrative and/or criminal cases and whose cases are still pending for resolution shall be entitled to the YEBs until found guilty and meted penalties.

4.5.2 Those found guilty shall not be entitled to the YEBs in the year the decisions were handed down. If the penalties meted out are only reprimands, such penalties should not be made the bases of disqualification to receive the YEBs.

4.5.3 Those found guilty and later on exonerated by competent authorities upon appeal of the cases shall be entitled to the back YEBs unless decided otherwise by the authorities concerned.

4.6 "Barangay" Officials

4.6.1 "Barangay" officials covered under item 2.2 hereof shall each be entitled only to the cash gift of P5,000 provided that the service requirements stipulated in item 4.1.1 are satisfied.

4.6.2 One-half (½) of the cash gift may be paid to each of them not earlier than May 1 and not later than May 31 of a particular year, provided that the service requirements stipulated in item 4.1.2 are satisfied.

4.6.3 The remaining half of the cash gift shall be paid to each of them not earlier than November 15 and not later than November 30 of each year, provided that they are still in the service as of October 31.

4.6.4 Those who have rendered more than 4 months of service in a given year and are to be separated before October 31 of the year may each receive the remaining balance of the cash gift in addition to the ½ of the cash gift received earlier, based on the scheme in item 4.1.4 to be paid within the month of separation of the barangay officials concerned.

5.0 Funding Sources

5.1 For NGAs including SUCs, the amounts shall be charged against the appropriations for the purpose in the annual GAA. Deficiencies in appropriations shall be charged against available savings of agencies. The YEBs for casual and contractual personnel shall be charged against their respective lump-sum appropriations.

5.2 For GOCCs and GFIs, the YEBs shall be charged against their respective corporate funds.

5.3 For LGUs, the amount shall be charged against their respective local government funds.

6.0 Responsibility of the Head of Agency

The heads of government entities concerned shall be held responsible and personally liable for any grant of the YEBs not in accordance with the provisions of this Circular without prejudice, however, to refund of any excess payments by the personnel concerned.

7.0 Prohibition Against Payment of Additional Benefits

Agencies are hereby prohibited from granting additional benefits other than those authorized under this Circular. Consequently, all administrative authorizations to grant any or other forms of benefits and other similar benefits in 2005 and thereafter which partake of the nature of the YEB that are inconsistent with the declared policy on the matter shall be rendered nugatory and unenforceable, unless otherwise authorized by the President.

8.0 Saving Clause

Cases not covered by the provisions of this Circular shall be referred to the Department of Budget and Management for resolution.

9.0 Repealing Clause

All circulars and other issuances which are inconsistent with the provisions of this Circular are hereby repealed.

10.0 Effectivity

This Circular shall take effect immediately.


ROMULO L. NERI
Secretary