



GUIDELINES FOR RANKING TIEZA PERSONNEL FOR THE PERFORMANCE BASED-BONUS (PBB) FOR FISCAL YEAR 2020 AND ONWARDS

The TIEZA Performance Management Team shall implement these guidelines for the ranking of individuals for the FY 2020 Performance Based-Bonus (FY 2020 PBB) and onwards, in accordance with the GCG Memorandum Circular no. 2019-02 dated 25 July 2019:

A. Guidelines on the Ranking of Qualified Personnel

1. The ranking of TIEZA personnel (i.e. officers and rank-and-file) shall be based on the average IPCR/OPCR scores of two (2) rating periods in 2020 and onwards – from 01 January to 30 June and from 01 July to 31 December;
2. TIEZA personnel shall be clustered in the following groupings as per their job level, to wit:
 - a. Senior Management;
 - b. Middle Management;
 - c. Professional and Supervisory; and
 - d. Clerical/General Staff
3. Subject to the estimated budget ceiling of the agency for the FY 2020 PBB and onwards, eligible TIEZA personnel shall be forced-ranked, per above job levels, in accordance with the following percentile rankings:

Percentile Ranking
Top 10%
Next 25%
Next 65%

B. Rates of the FY 2020 PBB and onwards

The PBB rates are based on the overall performance of TIEZA personnel for FY 2020 and onwards. The following shall be the rate of incentive, multiplied with the personnel's monthly basic salary (MBS) as of 31 December of the applicable year. However, the FY 2020 PBB rate and onwards should not be lower than PhP5,000.00.

Ranking	PBB as % of Monthly Basic Salary
Top: Maximum 10%	65%
Next: Maximum 25%	57.5%
Remaining 65%	50%

C. FY 2020 PBB 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:

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

D. Eligibility of Individuals

1. Employees belonging to the First, Second and Third Levels should receive 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);
2. 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. The payment of the PBB shall come from the mother agency;
3. Personnel who transferred from one (1) government agency to another 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;
4. 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/employee 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 in Section 5.1.6 of the GCG Memorandum Circular no. 2019-02
5. An official or employee who has rendered a minimum of nine (9) months of service in a year, FY 2020 and onwards, and with at least "Satisfactory" rating may be eligible to the full grant of the PBB;
6. An official or employee who rendered a minimum of three (3) months but less than nine (9) months of service in a year, and with at least a "Satisfactory" rating, shall be eligible to the grant of the PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

Length of Service	% of PBB Rate
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 (9)-month actual service requirement in a year to be considered for PBB on a pro-rata basis:

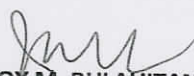
- a. Being a newly hired employee;
- b. Retirement;
- c. Resignation;
- d. Rehabilitation Leave;
- e. Maternity Leave and/or Paternity Leave;
- f. Vacation or Sick Leave with or without pay;
- g. Scholarship/Study Leave;
- h. Sabbatical Leave; and
- i. Other leaves provided by law

7. Personnel who are not eligible for PBB FY 2020 and onwards are the following:

- a. Those with an unsatisfactory rating in any of the two (2) rating periods;
- b. Those on vacation or sick leave, with or without pay, for the entire FY 2020 and onwards;
- c. Personnel found guilty of administrative and/or criminal cases in FY 2020 and onwards by formal and executory judgment. However, if the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB;
- d. Newly-hired personnel with less than three (3) months of service to the agency;
- e. Personnel who failed to timely submit the latest 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;
- f. Personnel who failed to liquidate all Cash Advances received in the applicable year within the reglementary period, as stated in relevant and prevailing COA Circulars; and
- g. Personnel who failed to submit their complete FY 2020 SPMS Forms and onwards, or its equivalent (i.e. IPCR and OPCR forms for 01 January to 30 June and 01 July to 31 December)

E. Effectivity

These guidelines shall take effect upon approval of the release of the agency's FY 2020 PBB and onwards.


ATTY. JOY M. BULAUTAN
Assistant Chief Operating Officer
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GCG MEMORANDUM CIRCULAR NO. 2019 – 02

SUBJECT : INTERIM PERFORMANCE-BASED BONUS (PBB)
DATE : 25 JULY 2019

1. **BACKGROUND AND PURPOSE.** – This Circular has been issued to establish the rules and regulations for the application and grant of the Interim Performance-Based Bonus (PBB) to qualified Officers and Employees of GOCCs covered under Republic Act (R.A.) No. 10149,¹ pursuant to Executive Order (E.O.) No. 80, s. 2012.²
2. **COVERAGE.** – This Circular shall cover GOCCs with GCG-approved Performance Scorecards starting 2019 and onwards.
3. **SUBMISSION OF PBB APPLICATION.** – Applications for the grant of the PBB shall only be submitted to the GCG upon receipt of the GCG-validated scorecard and; provided, it has obtained a weighted-average score of at least 90% in its Performance Scorecard for the applicable year.

Accordingly, GOCCs that achieved a score of less than 90% will automatically be deemed ineligible to the grant of the PBB for the applicable year.

4. **ELIGIBILITY OF A GOCC TO GRANT THE PBB.** – The grant of the PBB shall be based on the overall GOCC performance, and then distributed to individual Officers and Employees based on their performance ranking.

In order to be eligible to grant the PBB to its qualified Officers and Employees, the GOCC must:

- 4.1. Achieve a weighted-average score of at least 90% in its Performance Scorecard;
 - 4.1.1. Measures wherein the accomplishments for the same cannot be objectively verified by GCG on account of inadequate or incomplete documentation by the GOCC on how such accomplishments were determined may be given an automatic zero score.
- 4.2. Satisfy 100% of the Good Governance Conditions (GGCs) as follows:
 - 4.2.1. Conditions Common to National Government Agencies and GOCCs as stated in the applicable AO 25 IATF PBB Circular; and
 - 4.2.2. Conditions Specific to GOCCs:

¹ An Act to Promote Financial Viability and Fiscal Discipline in Government-Owned or -Controlled Corporations and to strengthen the role of the State in its Governance and Management to make them more responsive to the needs of Public Interest and for other purposes.

² E.O. No. 80, entitled "Directing the Adoption of a Performance-Based Incentive System for Government Employees," was issued to, among others, provide incentives that support and encourage performance-driven, productive and efficient GOCCs.

- (a) The GOCC has satisfied all statutory liabilities, including:
 - i. payment of all taxes due to the Government as certified/validated by the Bureau of Internal Revenue;
 - ii. 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);
 - iii. payment of NG Advances as certified/validated by the DOF; and
 - iv. remittance 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*"⁴ and amendments thereto;
- (c) Compliance with all the requirements mentioned in the "*Revised Whistleblowing Policy for the GOCC Sector*"⁵ and amendments thereto;
- (d) Compliance with the Executive Order on Freedom of Information: Executive Order No. 2, s. 2016; and
- (e) Compliance with posting on the GOCC's website the information enumerated under Section 43 of "*Code of Corporate Governance for GOCCs*"⁶ and amendments thereto.

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

4.3. Other Conditions and Requirements (OCRs). – All GOCCs are required to comply with the following conditions and requirements:

- (a) Maintain and/or attain certification on the GOCC's Quality Management System (QMS);
- (b) Timely submission of Annual Procurement Plan (APP) pursuant to applicable rules and regulations;
- (c) Timely submission of Corporate Operating Budgets (COBs) to the Department of Budget and Management (DBM);
- (d) Implementation of the prior year's audit recommendations, submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it was

⁴ GCG M.C. No. 2012-07

⁵ GCG M.C. No. 2016-02

⁶ GCG M.C. No. 2012-07

received from the Commission on Audit (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;

- (e) 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" ⁷ and amendments thereto; and
- (f) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to the "Performance Evaluation for Directors (PED)" ⁸ and amendments thereto.

- 4.3.1. Officials and employees responsible for the compliance and implementation of the OCRs, shall not be entitled to the PBB for the applicable year if the GOCC fails to comply with any of these requirements.

- 5. **ELIGIBILITY OF INDIVIDUAL OFFICERS AND EMPLOYEES.** – All Officers and Employees of GOCCs who occupy regular, casual or contractual positions with employer-employee relationship, shall be entitled to full grant of the PBB from their employer 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 served at least 3 months of service shall be entitled to PBB on a *pro-rata* basis, as provided in Section 5.1.6 herein.

5.1. ***Eligibility of Individual Officers and Employees of GOCCs***

- 5.1.1. Employees belonging to the First, Second and Third Levels should receive 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).
- 5.1.2. 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.
- 5.1.3. 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.
- 5.1.4. Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB, shall be

⁷ GCG M.C. No. 2014-02

⁸ GCG M.C. No. 2014-03

rated by the agency where he/she served the longest; the official/employee 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 in Section 5.1.6.

- 5.1.5. An official or 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.
- 5.1.6. An official or 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 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%

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:

- (a) Being 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;
 - (h) Sabbatical Leave; and
 - (i) Other leaves provided for by law
- 5.1.7. 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.
- 5.1.8. Personnel found guilty of administrative and/or criminal cases in the applicable year by formal and executory judgment 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.

5.1.9. Officials and employees who failed to timely submit the latest Statement of Assets, Liabilities, and Net Worth (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 PBB of the applicable year.

5.1.10. Officials and employees who failed to liquidate all Cash Advances received in the applicable year within the reglementary period, as stated in relevant and prevailing COA Circulars, shall not be entitled to the PBB for the same year.

5.1.11. Officials and employees who failed to submit their complete SPMS Forms, or its equivalent, shall not be entitled to the PBB of the applicable year.

5.2. **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.

6. **DISTRIBUTION SYSTEM.** – The CEO 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 a GOCC who have complied with the conditions under Sections 4.3 and 5 above shall be in accordance with the following procedure:

6.1. **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 GOCC Governing Board through the Management in accordance with the following guidelines:

- (a) **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., Deputy Administrator, Sr. Deputy Administrator, Assistant General Manager, Executive Vice President, Sr. Vice President, Vice President, etc.)

The President/CEO, or whoever is the highest-ranking executive officer, has the prerogative to avail of either the Performance-Based Incentive (PBI) under the applicable M.C. on the PBI, or the PBB, *but not both*. In the event the CEO 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.

- (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).
- (c) **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.)
- (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, Chauffeur, Utility Worker, Messenger).

6.2. **Distribution for Qualified Officers and Employees.** – In each level provided for in Section 5.1 above, the ratings of Officers and Employees under the GOCC's SPMS or its equivalent shall be quantified to allow for ranking on a percentile basis for the purpose of distribution as follows:

6.2.1. **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 31 December of the applicable year based on the table below, but not lower than ₱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 the discretion on the part of the Governing Board/Management to decrease the figures and distribute them to the "Remaining" level.*

- 6.3. **Posting of the System of Ranking Individuals.** – The GOCCs shall post in their respective Transparency Seals the guidelines/mechanics in ranking the officers and employees according to the mechanism herein stated.
7. **RELEASE OF PBB.** – The Board of Directors shall ensure that the PBB will only be released to eligible and qualified officers and employees only upon the receipt of the authorization letter from the GCG.
8. **FLEXIBILITY.** – The multiples herein are intended to provide a cap on the PBB that may be distributed by a GOCC. However, nothing herein shall be construed to limit the business judgment or authority of the Governing Board, when giving due regard to the financial condition and existing policies of a particular GOCC, to proportionately reduce the multiples to be distributed under Section 6 herein.
9. **SUPERVENING EVENT.** – The foregoing provisions notwithstanding, the GCG may deny or adjust the PBB to be granted a GOCC in case of supervening events that significantly prejudice the financial position of the GOCC for that year, as determined by the GCG.
10. **GRIEVANCE MECHANISM.** – The Governing Board through Management shall set up a Complaints Mechanism to respond to the PBB-related issues and complaints raised by Officers and Employees.
11. **FUNDING FOR THE PBB.** – The funding to support the PBB System herein shall be charged by GOCCs from their respective corporate funds, subject to the approval of their respective Governing Boards in accordance with applicable laws, rules and regulations. However, it shall be prohibited to source the payment of the PBB from the followings
- (a) Loans;
 - (b) Subsidy from the NG for the GOCC's operations, except for subsidy income or subsidy given by DBM precisely for the payment of the PBB; and
 - (c) Sale of the GOCC's asset(s) for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.
12. **CHECKLIST AND TIMELINE.** – GOCCs applying to grant the PBB within their respective corporations shall submit the complete required documents enumerated in **Annex A** strictly in accordance with the prescribed forms and within one year from receipt of the GCG-validated Performance Scorecard.
13. **EFFECT OF SUBMISSION AND NON-SUBMISSION ON THE PRESCRIBED PERIOD.** – GOCCs that submitted all the required documents on the given deadline may be authorized to grant their PBB upon receipt of the authorization letter from the GCG. Failure to submit the required documents within the deadline shall

automatically disqualify the GOCC to grant the PBB to its Officers and Employees for the applicable year.

14. **EFFECTS OF NON-COMPLIANCE/ PROHIBITED ACTS.** – A GOCC, which after due process by the GCG, has been determined to have committed the following prohibited acts, may be disqualified from the PBB in the **succeeding year** of its implementation. Moreover, the erring GOCC shall be subject to criminal and/or administrative action:
- a. Misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB, and violation of the provisions of this M.C. *Provided*, however, that if the misrepresentation was discovered during the validation stage, the GOCC shall be ineligible to the grant of PBB for the current performance period;
 - b. Evenly distributing the PBB among employees in an agency, in violation of the policy of paying the PBB based on the individual ranking; and
 - c. Releasing the PBB without authorization from the GCG.
15. **REPEALING CLAUSE.** – All other issuances related to the PBB for GOCCs under R.A. No. 10149 is hereby revoked, repealed or modified accordingly.
16. **EFFECTIVITY.** – This Circular shall take effect immediately upon its publication in the Commission's website at www.gcg.gov.ph.


SAMUEL G. DAGPIN, JR.
Chairman


MICHAEL P. CLORIBEL
Commissioner


MARITES C. DORAL
Commissioner