



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

DILG-NAPOLCOM Center, EDSA corner Quezon Avenue
West Triangle, Quezon City, 1104

MEMORANDUM CIRCULAR
NO. _____

TO : ALL PROVINCIAL GOVERNORS, CITY MAYORS, MUNICIPAL MAYORS,
PUNONG BARANGAYS, THE ARMM REGIONAL GOVERNOR, DILG
REGIONAL DIRECTORS, AND OTHERS CONCERNED

SUBJECT : GUIDELINES ON THE GRANTING OF THE ENHANCED PERFORMANCE-
BASED BONUS (PBB) FOR LOCAL GOVERNMENT OFFICIALS AND
EMPLOYEES FOR FISCAL YEAR 2017

Pursuant to Section 5 of Executive Order 201 on the subject *Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for both Civilian and Military and Uniformed Personnel*, below are the guidelines on the granting of the enhanced PBB to LGUs for FY 2017:

1.0 General Policy

- 1.1 In compliance with Section 5 of Executive Order 201, the enhanced PBB for Provinces, Cities, and Municipalities shall be given in an amount equivalent to one (1) month basic salary up to two (2) months basic salary, to be implemented in two (2) phases; for Barangays, the amount shall be equivalent to one (1) month honorarium up to two (2) months honoraria, to be implemented in two (2) phases.
- 1.2 The grant of the enhanced PBB shall be based on a progressive rate system. As the position and responsibility in improving local government unit performance becomes higher, so is the amount of PBB.

2.0 Coverage

- 2.1 This Circular covers all local government officials, and employees holding regular plantilla positions, of eligible local government units in all provinces, cities, municipalities and barangays; and contractual and casual personnel, provided that they have an employer-employee relationship with the said local government unit

and whose compensation is being paid wholly or mainly from the Personal Services.

The term “officials” as used in this Circular shall refer to those holding elective positions.

- 2.2 The implementation of this Circular shall be in close coordination with the AO25 Technical Working Group.

3.0 Eligibility Criteria

3.1. For Provinces, Cities, and Municipalities

3.1.a. Each local government unit must satisfy the following conditions:

- i. Compliance with the requirements of the Good Financial Housekeeping and at least one (1) of the remaining five (5) assessment areas of the FY 2016 Seal of Good Local Governance (DILG Memorandum Circular 2016-01);
- ii. Compliance with PhilGEPS posting as required under Government Procurement Reform Act (R.A. No. 9184); and
- iii. Compliance with the posting or publication of the Citizen’s Charter or its equivalent as required under the Anti-Red Tape Act of 2007 (R.A. No. 9485).

3.1.b. The LGU’s compliance to Section 3.1.a hereof must be certified by the DILG Provincial Director for Provinces, City Director or City Local Government Operations Officer for Cities, and the Municipal Local Government Operations Officer in the case of Municipalities.

3.2. For Barangays

3.2.a. Each barangay must be fully compliant with the Barangay Full Disclosure Policy for the fourth quarter period of 2016 (DILG Memorandum Circular No. 2014-81).

3.2.b. The barangay’s compliance to FDP must be certified by the DILG City Director or City/Municipal Local Government Operations Officer concerned and must have as an attachment a photo of the Barangay Full Disclosure Policy board.

4.0 Funding Sources

The PBB shall be charged against LGU funds for FY 2017, subject to Personal Services limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of the Local Government Code of 1991 (R.A. No. 7160).

The LGU shall exercise prudence in the use of local funds. In determining the amount of the PBB, the sanggunian concerned shall ensure that the same is reasonable and that the expenditure will not, in any way, adversely affect the delivery of services to the public.

5.0 Eligibility of Individuals

5.1 For Provinces, Cities, and Municipalities

- 5.1.a The eligibility of the local chief executive and the Sanggunian members shall be based on the eligibility of the respective local government unit. Their PBB rate shall be fixed at one (1) month up to two (2) months basic salary, subject to availability of funds.
- 5.1.b Employees belonging to the First and Second Levels must have a rating of at least "Satisfactory" based on the CSC-approved SPMS for the previous year.
- 5.1.c Employees belonging to the Third Level must have a rating of at least "Very Satisfactory" based on the CSC-approved SPMS for the previous year.

5.2 For Barangays

The eligibility of the Punong Barangay, Sangguniang Barangay Members, Barangay Secretary, Barangay Treasurer, and other barangay employees holding regular plantilla positions shall be based on the eligibility of the respective barangay. Their PBB rate shall be fixed at one (1) month honorarium up to two (2) months honoraria and/or salary, subject to availability of funds.

5.3 Common Provisions for Provinces, Cities, Municipalities, and Barangays

- 5.3.a Personnel who transferred from one government agency to a local government unit, for the specified rating period, shall be rated by the agency where he/she served the longest. If equal months were served for each office, he/she shall be rated in the eligible LGU.

- 5.3.b An official or employee, whether active or inactive in service, who rendered a minimum of three (3) months but less than nine (9) months of service with the required performance rating shall be eligible for the grant of the enhanced 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%

- 5.3.c 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. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 5.3.d Heads of departments, offices or delivery units should ensure that officials and employees covered by RA 6713 submitted their 2016 SALN to the respective SALN repository agencies as prescribed in the rules provided under CSC Memorandum Circular No. 4, s., 2016 as this will be a basis for the release of FY 2017 PBB to individuals.
- 5.3.e Officials and employees who failed to submit the 2016 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 4, s., 2016, shall not be entitled to the FY 2017 PBB.
- 5.3.f An official or employee who is on vacation or sick leave, for the entire year of 2016, with or without pay, is not eligible to the grant of the PBB.

6.0 Ranking of Provinces, Cities, and Municipalities

- 6.1 Provinces, cities, and municipalities that meet the criteria and conditions in Section 3.1.a are eligible to the PBB for FY 2017 and shall force rank the office/delivery units according to the following categories:

Ranking	Performance Category	PBB Rate
Top 10%	Best department/office/delivery unit	Not more than 2 months basic salary
Top 25%	Better department/office/delivery unit	Not more than one and one-half month salary
Top 65%	Good department/office/delivery unit	1 month basic salary

- 6.2 Only the eligible personnel are qualified for the enhanced PBB.
- 6.3 The rating of departments, offices or delivery units shall be based on the accomplished CSC-approved Strategic Performance Management System (SPMS) Commitment Forms for 2016.
- 6.4 The Human Resource Department and the Planning and Development Office shall take the lead in the consolidation and ranking of the departments, offices and delivery units.
- 6.5 The rules and requirements that will be used for ranking must be posted in the bulletin board of the Human Resources Department office of each local government unit or in the local government website.

7.0 Submission of Accomplished Forms

- 7.1 The Human Resource Department of the eligible Province, City and Municipality shall accomplish PBB Forms 1 and 1A, for record and policy-making purposes. For the eligible Barangay, the Barangay Treasurer shall accomplish the said Forms.
- 7.2 The accomplished forms shall be submitted to the following personnel:
 - a. DILG Provincial Director for Provinces;
 - b. City Director or City Local Government Operations Officer for Cities and City Barangays; and
 - c. Municipal Local Government Operations Officer for Municipalities and Municipal Barangays.
- 7.3 The DILG Regional Offices shall accomplish PBB Form 2 and submit the same together with PBB Forms 1 and 1A to the Bureau of Local Government Supervision for the Provinces, Cities and Municipalities and to the National Barangay Operations Office for Barangays.

8.0 Payment of the FY 2017 PBB shall be made not earlier than March 2017.

9.0 Effectivity

This Circular shall take effect immediately.

MEL SENEN S. SARMIENTO
Secretary

LGU-PBB FORM 1 – REPORT ON THE GRANTING OF PBB

For the Year _____

REGION: I II III IV-A IV-B V VI VII VIII IX X XI XII CARAGA CAR NCR

- ☐ Province
☐ City
☐ Municipality
☐ Barangay

Name of LGU: _____

Information Required:	TOTAL
1.1 Total No. of Officials and Employees Eligible to the Grant of PBB	
1.1.1 Elected Officials	
1.1.2 Appointed Officials/Personnel	
1.1.3 Personnel Holding Regular Plantilla Positions	
1.1.4 Contractual Personnel	
1.1.5 Casual Personnel	
1.2 Total No. of Officials and Employees Not Eligible to the Grant of PBB:	
1.3 Total Amount Required for Payment of PBB for FY 2017:	

Prepared by:

Treasurer_____
Budget Officer

Certified by:

Local Chief Executive

LGU-PBB FORM 2 – REPORT ON THE GRANTING OF PBB (REGIONAL CONSOLIDATION)*

For the Year _____

REGION: _____

For PCMs:

Information Required:	TOTAL
1.1 Total No. of Officials and Employees Eligible to the Grant of PBB	
1.1.1 Elected Officials	
1.1.2 Appointed Officials/Personnel	
1.1.3 Personnel Holding Regular Plantilla Positions	
1.1.4 Contractual Personnel	
1.1.5 Casual Personnel	
1.2 Total No. of Officials and Employees Not Eligible to the Grant of PBB:	
1.3 Total Amount Required for Payment of PBB for FY 2017:	

For Barangays:

Information Required:	TOTAL
1.1 Total No. of Officials and Employees Eligible to the Grant of PBB	
1.1.1 Elected Officials	
1.1.2 Appointed Officials/Personnel	
1.1.3 Personnel Holding Regular Plantilla Positions	
1.1.4 Contractual Personnel	
1.1.5 Casual Personnel	
1.2 Total No. of Officials and Employees Not Eligible to the Grant of PBB:	
1.3 Total Amount Required for Payment of PBB for FY 2017:	

Prepared by:

LGU-PBB Regional Focal Person_____
Budget Officer

Certified by:

Regional Director

*This Form must be submitted with the accomplished Forms 1 and 1A of the all the eligible Provinces, Cities, Municipalities and Barangays.