



Republic of the Philippines
Office of the President
National Irrigation Administration
(PAMBANSANG PANGASIWAAN NG PATULAY)
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MC No. 07 s. 2015

MEMORANDUM CIRCULAR

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

SUBJECT : GRANT OF PRODUCTIVITY INCENTIVE BENEFIT FOR CY 2014

1. PURPOSE

The Productivity Incentive Benefit (PIB), as its name connotes, is an incentive pay based on individual personnel productivity and performance as evaluated and determined by the heads of the respective offices and in accordance with the policies and standards set by the Civil Service Commission.

The PIB authorized under Administrative Order No. 161 dated December 6, 1994 shall be in accordance with the hereunder rules and regulations as prescribed under National Compensation Circular Nos. 73 and 73-A dated December 27, 1994 and March 1, 1995, respectively.

2. COVERAGE

The PIB for CY 2014 shall be enjoyed by NIA officials and employees including casual, temporary and full-time contractual personnel whose employment is in the nature of regular personnel and have an aggregate service of at least nine (9) months as of December 31, 2014 including period of scholarship, if any.

3. RULES & REGULATIONS

- 3.1 To be entitled to the PIB, officials/employees should have at least satisfactory performance ratings for the two (2) semesters of CY 2014 and should have contributed to the productivity of the office/agency as determined by their respective chiefs of offices/projects.

**MALACAÑANG
MANILA**

ADMINISTRATIVE ORDER NO. 161

PRESCRIBING A STANDARD INCENTIVE PAY SYSTEM BASED ON PRODUCTIVITY AND PERFORMANCE, FOR ALL OFFICIALS AND EMPLOYEES OF THE GOVERNMENT, NATIONAL AND LOCAL INCLUDING THOSE OF GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS AND GOVERNMENT FINANCIAL INSTITUTIONS AND FOR OTHER PURPOSES

WHEREAS, government recognizes that efficiency and effectiveness in the civil service can be further enhanced by an incentive pay system that is based on employee productivity and performance;

WHEREAS, some heads of government departments/offices authorized to grant of Productivity Incentive Benefits in varying amounts to their officials and employees of CYs 1991, 1992 and 1993 invoking as legal basis for such grant the provisions of Sections 31, 35 and 36(2), Chapter 5, Subtitle I, Book V of the Administrative Code of 1987, but which grant gave rise to dissension and dissatisfaction among those who received less or no benefits due to lack of funds;

WHEREAS, there is a need to rationalize the grant of said Productivity Incentive Benefit under a uniform set of guidelines to ensure fairness and equity in its award;

WHEREAS, Section 17, Article VII of the 1987 Constitution vests in the President of the Philippines prerogatives which include among others the determination of the rates, the timing and schedule of payment, and final authority to commit limited resources of government for the payment of personnel incentives, cash rewards, productivity and loyalty bonus, and other forms of additional compensation and fringe benefits to government personnel.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law do hereby direct.

SECTION 1. Policy. There shall be instituted a standard system of incentive pay based on productivity and performance among officials and employees of the Government.

SEC. 2. Coverage. The benefits herein authorized shall apply to all appointive officials and employees of the national government, local government units and government-owned and/or -controlled corporations and government financial institutions, including casual, temporary and full-time contractual personnel whose employment is in the nature of regular personnel, who obtained at least asatisfactory performance rating for the two (2) semesters immediately preceding the year in which the incentive pay shall be released and who have contributed to the productivity of their office/agency as determined by their respective heads of agency;

Accordingly, all administrative authorization/decrees issued to select government offices/agencies, government-owned and/or -controlled corporations and government financial institutions, and local government units, relative to grant of any Incentive Award or Bonus; administrative, memorandum and/or any order issued authorizing the grant of Incentive Award or Bonus or any form of similar nature pursuant to the provisions of Sections 31, 35 and 36(2), Chapter 5, Subtitle A, Title I, Book V of Executive Order No. 292, otherwise known as the Administrative Code of 1987; and executive orders providing for the grant of said Incentive Award or Bonus that are not inconsistent with this Order are hereby revoked.

SEC. 8. Strict compliance by all concerned with the provisions of this Order is enjoined. Anyone found violating any of the mandates in this Order, including all officials/employees and the COA Auditor-in-Charge of such government office/agency found to have taken part thereof, shall be accordingly and severely dealt with in accordance with the applicable provisions of existing penal laws.

SEC. 9. Cases not covered under this Order shall be referred to the Department of Budget and Management for proper study and recommendation to the Office of the President.

SEC. 10. The Department of Budget and Management is directed to issue the appropriate circulars for the implementation of this Order.

SEC. 11. This Order shall take effect on January 1, 1995 based on the performance evaluation of officials and employees for CY 1994.

DONE in the City of Manila, this 6th day of December in the year of Our Lord, Nineteen Hundred and Ninety Four.

(Sgd.) **FIDEL V. RAMOS**

By the President:
(Sgd.) **LEONARDO A. QUISUMBING.**
Acting Executive Secretary

6.0 RELEASE OF FUNDS TO NATIONAL GOVERNMENT OFFICE/AGENCY

The Department of Budget and Management shall release the funds from the Incentive Fund direct to the government office/agency involved.

For the PIB for CY 1994, to be paid in 1995, agencies of the national government are required to submit, immediately after its payment, an accounting of the actual amount used for this purpose.

For the subsequent years, offices/agencies of the national government shall submit a list of officials and employees entitled to the benefit under this Circular within the first quarter of the calendar year immediately following the two semesters during which the benefit was earned, as basis for the release of funds.

7.0 PROHIBITION FROM ESTABLISHING/AUTHORIZING A SEPARATE PRODUCTIVITY AND PERFORMANCE INCENTIVE AWARD

7.1 Heads of departments, agencies, governing boards, commissions, offices, including government-owned and/or -controlled corporations and government financial institutions, and local government units, are hereby prohibited from establishing and authorizing a separate productivity and performance incentive award of any form.

7.2 Strict compliance by all concerned with the provisions of this Circular is enjoined. Anyone found violating any of the mandates in this Circular, including all officials/employees and the COA Auditor-In-Charge of such government office/agency found to have taken part thereof, shall be accordingly and severely dealt with in accordance with the applicable provisions of existing penal laws.

8.0 Cases not covered under this Circular shall be referred to the Department of Budget and Management for proper study and recommendation to the Office of the President.

NATIONAL COMPENSATION CIRCULAR No. 73-A**Supplementing National Compensation Circular No. 73 dated December 27, 1994 on the Grant of Productivity Incentive Benefits (PIB) for CY 1994 and Years Thereafter****1.0 Purpose**

This Circular is issued to supplement the provisions under National Compensation Circular No. 73, and thereby clarify other matters not covered therein.

2.0 The following provisions are hereby added to the said Circular which shall be known as Item 4.0:

"4.0 The PIB of Officials and Employees Who Transferred from One Agency to Another and Those Who are Employed on Part-Time Basis

4.1 The PIB of officials and employees who transferred to another government office/agency on or before the end of the calendar year for which the PIB is granted shall be paid by the new office/agency while the benefits of those who transferred after December 31 of the same calendar year shall be paid by the former office/agency.

4.2 The PIB of officials and employees who are employed on a part-time basis shall be equivalent to one-half of the full amount received by full-time officials and employees with the same productivity and performance appraisal."

3.0 Item 8.0 of the same Circular is hereby amended to read as follows:

"8.0 Cases concerning the PIB of officials and employees who were newly-hired, retired, on leave of absence with or without pay, or on authorized attendance at a training course/scholarship grant or any other similar activity shall be referred to the Civil Service Commission for resolution while all other cases not covered under this Circular shall be referred to the Department of Budget and Management for proper study and recommendation to the Office of the President."

4.0 Items 4.0 to 9.0 are hereby renumbered accordingly.**5.0 This Circular shall cover the grant of CY 1994 and years thereafter.**

Adopted: 1 Mar. 1995

(SGD.) SALVADOR M. ENRIQUEZ, JR