



MEMORANDUM CIRCULAR No. **173**
Series of 2023

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

**SUBJECT : ADMINISTRATIVE ORDER NO. 12, s. 2023. "AUTHORIZING THE
GRANT OF SERVICE RECOGNITION INCENTIVE TO GOVERNMENT
EMPLOYEES FOR FISCAL YEAR 2023"**

Pursuant to Administrative Order No. 12, s. 2023. "Authorizing the Grant of Service Recognition Incentive to Government Employees for Fiscal Year (FY) 2023", this Agency adhered to said AO, in recognition of the hard work, commitment, and dedication to public service of government personnel.

- I. Service Recognition Incentive for Employees in the Executive Department.**
This Order authorizes the grant of a one-time Service Recognition Incentive (SRI) at a uniform rate not exceeding Twenty Thousand Pesos (P20,000.00) for each personnel in the Executive Department.
- II. Conditions on the Grant of the SRI.** The grant of SRI shall be subject to the following conditions:
- a. NIA officials and employees occupying regular, contractual/ co-terminous and casual positions;
 - b. NIA officials and employees are still in the government service as of 30 November 2023;
 - c. The personnel have rendered at least a total or an aggregate of four (4) months of satisfactory service as of 30 November 2023, inclusive of services rendered under any of the alternative work arrangements prescribed by the Civil Service commission;
 - d. Those who have rendered less than a total or an aggregate of four (4) months of satisfactory service as of November 30, 2023 shall be entitled to a pro-rated share of the SRI, as follows:

LENGTH OF SERVICE	PERCENTAGE OF THE INCENTIVE (%)
3 months but less than 4 months	40%
2 months but less than 3 months	30%
1 month but less than 2 months	20%
Less than 1 month	10%

and

- e. The employees have not received any additional year-end benefit in FY 2023 over and above the benefit authorized under Republic Act (RA) No. 6686, as amended by RA No. 8441.

III. Exclusion from the Grant of the SRI. Those engaged without employer-employee relationship and whose compensation are funded from non-Personnel Services (PS) appropriations/budgets from the grant of the SRI such as:

- a. Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
- b. Laborer engaged through job contracts (*pakyaw*) and those paid on piecework basis;
- c. Student workers and apprentices; and
- d. Individuals and groups of people whose services are engaged through job orders, contract of service or others similarly situated.

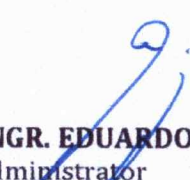
IV. Funding Source of the SRI for Employees in the Executive Department.

- a. For GOCC, the amount required shall be charged against their respective approved corporate operating budgets (COBs) for FY 2023 only; and
- b. Should the identified funding source prove insufficient to cover the maximum allowable rate of the SRI, a lower but uniform amount shall be paid to all qualified employees of NIA.

V. Payment Date. The payment of the SRI to all qualified government employees shall not be earlier than 15 December 2023.

All issuances inconsistent with the provisions are hereby repealed accordingly.

Be guided accordingly.


ENGR. EDUARDO EDDIE G. GUILLEN
Administrator

18 DEC 2023



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 12

**AUTHORIZING THE GRANT OF SERVICE RECOGNITION INCENTIVE
TO GOVERNMENT EMPLOYEES FOR FISCAL YEAR 2023**

WHEREAS, Section (4)(h) of Congressional Joint Resolution (JR) No. 4 (s. 2009) authorizes the grant of: (i) incentives to reward an employee's loyalty to government service and their contributions to the agency's continuing viable existence; (ii) incentives as reward for exceeding agency financial and operational performance targets to motivate employee efforts toward higher productivity; and (iii) other existing benefits to be categorized by the Department of Budget and Management (DBM) as incentives;

WHEREAS, Section (17)(iv) of JR No. 4 authorizes the President, upon the recommendation of the DBM, to update the Compensation and Position Classification System for civilian personnel, Base Pay Schedule for military and uniformed personnel, and policies on and levels of allowances, benefits, and incentives applicable to all government personnel;

WHEREAS, Administrative Order (AO) Nos. 19 (s. 2019), 37 (s. 2020), 45 (s. 2021), and 1 (s. 2022) authorized the grant of Service Recognition Incentive to government employees for Fiscal Years (FYs) 2019, 2020, 2021, and 2022, respectively, in recognition of the hard work, commitment, and dedication to public service of government personnel; and

WHEREAS, the Administration recognizes all government employees for their collective and invaluable contribution to the government's continuing efforts in pursuing the objectives, commitments, targets and deliverables under the Philippine Development Plan 2023-2028 and the President's 8-Point Socioeconomic Agenda;

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Service Recognition Incentive for Employees in the Executive Department. This Order authorizes the grant of a one-time Service Recognition Incentive (SRI) at a uniform rate not exceeding Twenty Thousand Pesos (₱20,000.00) for each of the following personnel in the Executive branch:

THE PRESIDENT OF THE PHILIPPINES

- a. Civilian personnel in national government agencies (NGAs), including those in state universities and colleges (SUCs) and government-owned or -controlled corporations (GOCCs), occupying regular, contractual or casual positions; and
- b. Military personnel of the Armed Forces of the Philippines under the Department of National Defense, and uniformed personnel of the Philippine National Police, Bureau of Fire Protection, and Bureau of Jail Management and Penology under the Department of the Interior and Local Government, the Bureau of Corrections under the Department of Justice, the Philippine Coast Guard under the Department of Transportation, and the National Mapping and Resource Information Authority under the Department of Environment and Natural Resources.

Section 2. Conditions on the Grant of the SRI. The grant of the SRI shall be subject to the following conditions:

- a. The civilian personnel are occupying regular, contractual or casual positions;
- b. The personnel are still in government service as of 30 November 2023;
- c. The personnel have rendered at least a total or an aggregate of four (4) months of satisfactory service as of 30 November 2023, inclusive of services rendered under any of the alternative work arrangements prescribed by the Civil Service Commission;
- d. Those who have rendered less than a total or an aggregate of four (4) months of satisfactory service as of 30 November 2023 shall be entitled to a pro-rated SRI, as follows:

LENGTH OF SERVICE	PERCENTAGE OF INCENTIVE
3 months but less than 4 months	40%
2 months but less than 3 months	30%
1 month but less than 2 months	20%
Less than 1 month	10 %

and;

- e. The employees have not received any additional year-end benefit in FY 2023 over and above the benefit authorized under Republic Act (RA) No. 6686, as amended by RA No. 8441.

Section 3. Exclusion from the Grant of the SRI. Those engaged without employer-employee relationship and whose compensation are funded from non-Personnel Services (PS) appropriations/budgets are excluded from the grant of the SRI, such as:

- a. Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;

- b. Laborers engaged through job contracts (*pakyaw*) and those paid on piecework basis;
- c. Student workers and apprentices; and
- d. Individuals and groups of people whose services are engaged through job orders, contracts of service or others similarly situated.

Section 4. Funding Source of the SRI for Employees in the Executive Department. The funding source for the grant of the SRI to employees in the Executive branch shall be governed by the following:

- a. For NGAs, including SUCs, and military and uniformed personnel, the amount required shall be charged against the available PS allotments of the respective agencies under RA No. 11936 or the "General Appropriations Act (GAA) for FY 2023."

In case of deficiency, the amount required may be charged against the Maintenance and Other Operating Expenses allotment of the concerned government agency, subject to the rules on modification in allotments under Section 80 of the General Provisions of RA No. 11936, and other pertinent budgeting, accounting and auditing rules and regulations;

- b. For GOCCs, the amount required shall be charged against their respective approved corporate operating budgets (COBs) for FY 2023 only; and
- c. Should the identified funding sources be insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the NGA, SUC or GOCC.

Section 5. SRI for Employees in the Legislative and Judicial Departments and Other Offices Vested with Fiscal Autonomy. Employees of the Senate, House of Representatives, Judiciary, Office of the Ombudsman and Constitutional Offices vested with fiscal autonomy may likewise be granted a one-time SRI by their respective heads of office at a uniform rate not exceeding Twenty Thousand Pesos (₱20,000.00) each, chargeable against the available PS allotment of their respective agencies, subject to the conditions set forth in Section 2 hereof.

Should the identified funding source be insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the concerned office.

Section 6. SRI for Employees in Local Government Units (LGUs). The grant of the one-time SRI to employees in LGUs, including those in the *barangays*, shall be determined by their respective *sanggunians* depending on the LGU's financial capability, subject to the PS limitation in LGU budgets under RA No. 7160 or the "Local Government Code of 1991," and the conditions set forth in Section 2 hereof, at a uniform rate not exceeding Twenty Thousand Pesos (₱20,000.00), chargeable against their respective FY 2023 local government funds. Should the identified funding source

be insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the LGU.

In determining the amount of the SRI, the *sanggunians* shall exercise prudence and judicious use of government funds, ensuring that the expenditure is reasonable and will not, in any way, prejudice the delivery of services to the public.

The amount required shall be chargeable against the available FY 2023 appropriations or surplus, upon the enactment by the local *sanggunian* of the corresponding supplemental budget (SB) for the purpose. In case the LGU fails to enact an SB within FY 2023, the LGU concerned may enact an SB for FY 2024, provided that the: (i) SB shall be charged against the LGU's reverted and unused surplus for prior years, subject to compliance with pertinent provisions of RA No. 7160, and other existing laws, rules and regulations; (ii) prior year's surplus is backed by cash; and (iii) annual budget for FY 2024 is already approved.

Section 7. SRI for Employees in Local Water Districts (LWDs). LWDs may also grant the SRI to their employees at a uniform rate to be determined by their Boards of Directors (BOD), which shall not exceed Twenty Thousand Pesos (₱20,000.00) each, chargeable only against their respective BOD-approved FY 2023 COBs, subject to the conditions set forth in Section 2 hereof.

Should the identified funding source be insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the LWD.

Section 8. SRI for Employees in Agencies Exempted from the Coverage of RA No. 6758, as amended. NGAs and GOCCs exempted from the coverage of RA No. 6758, as amended, may also grant the SRI to their employees at a uniform rate to be determined by their agency heads or governing boards, which shall not exceed Twenty Thousand Pesos (₱20,000.00) each, chargeable against the NGA's available funds and the GOCC's FY 2023 COB, subject to the conditions set forth in Section 2 hereof.

Should the identified funding source be insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the concerned agency.

Section 9. Payment Date. The payment of the SRI to all qualified government employees shall not be earlier than 15 December 2023.

Section 10. Supplemental Guidelines. As may be necessary, the DBM shall issue supplemental guidelines to effectively implement this Order.

Section 11. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 12. Repeal. All issuances, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

Section 13. Effectivity. This Order shall take effect immediately.

DONE, in the City of Manila, this 7th day of December, in the year of our Lord, Two Thousand and Twenty-Three.

By the President:


LUCAS P. BERSAMIN
Executive Secretary

