Republic of the Philippines
OFFICE OF THE PRESIDENT
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

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MEMORANDUM CIRCULAR No. 95
Series of 2026

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

SUBJECT : **GUIDELINES ON THE GRANT OF PERFORMANCE-BASED BONUS (PBB) FOR FISCAL YEAR (FY) 2024 AND SUBSEQUENT YEARS**

Attached is the Governance Commission for Government Owned or Controlled Corporations (GCG) Memorandum Circular 2026-01 dated 11 August 2026, ***Guidelines on the Grant of the Performance-Based Bonus (PBB) for FY 2024 and Subsequent Years***. To ensure complete transparency and agency-wide alignment, offices are hereby guided by the core provisions governing eligibility and application process:

1. ***Eligibility:*** NIA becomes eligible to grant the PBB to qualified officers and employees only if the Agency meets two conditions:

    a. Achieves a weighted-average score of ***at least 90%*** on its GCG-validated Performance Scorecard (a score below 90% results in automatic ineligibility); and

    b. Satisfies ***100% of all Good Governance Conditions*** (GGCs).

2. ***Checklist and Timeline:*** Upon meeting the eligibility threshold, the Agency must submit its complete application and supporting documents strictly using the prescribed forms within one (1) year from official receipt of the GCG-validated Performance Scorecard.

A copy of GCG Memorandum Circular 2026-01 is attached for your reference and guidance.

ENGR. EDUARDO EDDIE G. GUILLEN
Administrator

Date 13 OCT 2026

Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226

BAGONG PILIPINAS

GCG MEMORANDUM CIRCULAR NO. 2026- 01

SUBJECT : GUIDELINES ON THE GRANT OF PERFORMANCE-BASED BONUS (PBB) FOR FISCAL YEAR (FY) 2024 AND SUBSEQUENT YEARS

DATE : 11 August 2026

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1. **BACKGROUND AND PURPOSE.** – This Circular is issued to prescribe the policies and guidelines for the application and grant of the Performance-Based Bonus (PBB) to qualified officers and employees of government-owned or controlled corporations (GOCCs) covered under Republic Act (R.A.) No. 10149,[1] pursuant to Executive Order (E.O.) No. 95, s. 2025,[2] and in accordance with Resolution No. 2026-1[3] and Memorandum Circular No. 2026-1[4] issued by the E.O. No. 61 (s. 2024)[5] Technical Working Group.[6]

2. **COVERAGE.** – This Circular shall cover GOCCs with GCG-approved Performance Scorecards starting 2024 onwards.

3. **SUBMISSION OF PBB APPLICATION.** – A GOCC may submit its application for the grant of the PBB only upon receipt of the GCG-validated Performance Scorecard.

4. **ELIGIBILITY OF A GOCC TO GRANT THE PBB.** – Eligibility for the grant of the PBB shall be based on the GOCC's overall performance. Once authorized, the PBB shall be 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 (*note*: a GOCC that achieved a score of less than 90% will automatically be deemed ineligible for the grant of the PBB for the applicable year); and

   4.2. Satisfy 100% of the Good Governance Conditions (GGCs), as follows:

      (a) The GOCC has fully complied with all statutory obligations, including:

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[1] *GOCC Governance Act of 2011.*
[2] *Approving the Compensation and Position Classification System II and Pay Grades for Government-Owned or Controlled Corporations, Repealing Executive Order No. 150 (s. 2021), and for Other Purposes, dated 16 September 2025.*
[3] *Grant of the Performance-Based Bonus (PBB) for the Fiscal Year (FY) 2024 dated 02 July 2026.*
[4] *Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY 2024),* dated 03 July 2026.
[5] *Suspending the Implementation of Administrative Order No. 25 (s. 2011) and Executive Order No. 80 (s. 2012), As Amended,* dated 03 June 2024.
[6] Technical Working Group for the New Government Performance Management System.

i. Payment of all taxes due to the Government, as certified/validated by the Bureau of Internal Revenue (BIR);

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 National Government (NG) Advances as certified/validated by the DOF; and

iv. Remittance of mandatory contributions, as certified/validated by the following agencies: Government Service Insurance System (GSIS) or Social Security System (SSS), Home Development Mutual Fund (Pag-IBIG Fund), and Philippine Health Insurance Corporation (PhilHealth).

(b) Compliance with all the requirements mentioned in the *Revised Whistleblowing Policy for the GOCC Sector*[7] and the *Whistleblowing and Integrity Program (WHIP) for the GOCC Sector*[8] and any amendments thereto;

(c) Compliance with the posting requirement on the GOCC's website of the information enumerated under Section 43 of the *"Code of Corporate Governance for GOCCs"*[9] and amendments thereto; and

(d) Compliance with the applicable financial reporting framework, *e.g.*, Philippine Financial Reporting Standards (PFRS), Philippine Public Sector Accounting Standards (PPSAS), as certified/validated by the Commission on Audit (COA).

4.2.1. 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 also required to comply with the following conditions and requirements:

(a) Timely submission of Corporate Operating Budgets (COBs) to the Department of Budget and Management (DBM);

(b) Submission to the GCG of all audit observations and notices of disallowances within seven (7) working days from the time it was received from the COA, and all written communications between the GOCC and the COA on such matters, which shall include, but shall not be limited to, the concrete and time bound action plans for addressing the audit observations and notices of disallowances;

(c) Compliance and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to the *Policies and Guidelines on the Integrated Corporate Reporting System (ICRS) for*

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[7] GCG Memorandum Circular (M.C.) No. 2016-02, applicable for FY 2024.
[8] GCG M.C. No. 2025-01, applicable for FY 2025 onwards.
[9] GCG M.C. No. 2012-07.

the GOCC Sector and any amendments thereto;

(d) Compliance by all Appointive Directors 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)* and amendments thereto;

(e) Timely submission of the year-end financial statements and other related financial reports to the COA;

(f) Compliance with the *Energy Efficiency and Conservation (EEC) Act,*[10] as certified/validated by the Department of Energy (DOE);

(g) Compliance with, and submission of, requirements to the Anti-Red Tape Authority (ARTA);

(h) Compliance with the National Competition Policy and other competition initiatives, as validated by the Philippine Competition Commission (PCC);

(i) Other conditions common to National Government Agencies and GOCCs as stated in the applicable government issuances, *e.g.*, Agency Accountabilities under relevant issuances by the E.O. No. 61 (s. 2024) Technical Working Group.

4.3.1 Officers and employees directly 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.

The status of the GOCC's compliance with the PBB requirements shall be made available by the GCG on its website.

5. **ELIGIBILITY OF INDIVIDUAL OFFICERS AND EMPLOYEES.** – All officers and employees of a GOCC who occupy regular, casual or contractual positions with employer-employee relationship shall be entitled to the 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 nine (9) month service requirement but have rendered at least three (3) months of service shall be entitled to the PBB on a *pro-rata* basis, as provided in Section 5.1.6 herein.

5.1. ***Specific Eligibility Guidelines***

5.1.1. Personnel belonging to the First, Second and Third Levels should receive a rating of at least "Very Satisfactory" based on the GOCC's Strategic Performance Management System (SPMS) as approved by the Civil Service Commission (CSC) or the equivalent thereof, or the requirement prescribed by the Career Executive Service Board (CESB).

[10] Republic Act No. 11285, dated 12 April 2019.

5.1.2. Personnel detailed to another government agency or GOCC for a period of 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 GOCC.

5.1.3. Personnel who transferred from one government agency or GOCC 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 ranking of the recipient agency.

5.1.4. Officers and employees who transferred from or to government agencies or GOCCs that are non-participating in the implementation of the PBB, shall be rated by the agency where he/she served the longest; the officer/employee shall be eligible for the grant of PBB on a *pro-rata* basis corresponding to the actual length of service in the participating implementing agency, as stated in Section 5.1.6.

5.1.5. An officer or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least "Very Satisfactory" rating may be eligible to the full grant of the PBB.

5.1.6. An officer or employee who has rendered a minimum of three (3) months but less than nine (9) months of service and with at least "Very Satisfactory" rating shall be eligible for 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
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 to be considered for the PBB on a *pro-rata* basis:

(a) Being a newly hired employee;

(b) Retirement;

(c) Resignation;

(d) Any interruption in the continuity of service that is not a result of a disciplinary action;

(e) Rehabilitation Leave;

(f) Maternity Leave and/or Paternity Leave;

(g) Special Leave Benefits for Women pursuant to RA No. 9710;[11]

(h) Special Emergency Leave under CSC M.C. Nos. 2, s. 2012[12] and 16, s. 2012;[13]

(i) Vacation or Sick Leave with or without pay;

(j) Scholarship/Study Leave;

(k) Sabbatical Leave; and

(l) Other leaves provided for by law.

5.1.7. An officer or employee who is on 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 final 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 from the PBB.

5.1.9. Officers and employees who failed to timely submit the latest Statement of Assets, Liabilities, and Net Worth (SALN) as prescribed under applicable laws and 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. Officers 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. Officers 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 relationship and whose compensation is not sourced from Personnel Services (PS) appropriations / budgets of their respective GOCCs, 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

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[11] *Magna Carta of Women.*
[12] *Special Emergency Leaves to Government Employees Affected by Natural Calamities/ Disasters*, dated 16 February 2012.
[13] *Supplemental Guidelines in the Grant of Special Emergency Leave*, dated 17 October 2012

(d) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

6. **DISTRIBUTION SYSTEM.** – The Chief Executive Officer (CEO) or the highest-ranking executive officer of a GOCC should ensure that only eligible and qualified officers and employees are included in the rating and ranking to be submitted to the GCG. Distribution of the 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.***

(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/or 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 CEO, or whoever is the highest-ranking executive officer of the GOCC, has the prerogative to avail of either the Performance-Based Incentive (PBI) under the applicable Memorandum Circular on the PBI, or the PBB, *but not both*. In the event the CEO or the highest-ranking executive officer 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. This includes those responsible for people management, including performance evaluation and pay reviews and recommendation on hiring/firing of personnel. Likewise included are 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. Those included in this level require the application of expertise in professional or technical area(s) to achieve results. They typically have a university degree or equivalent work experience that provides knowledge and exposure to fundamental theories, principles and concepts. Likewise included are supervisors and junior management who may not have full management authority *(e.g.,* Financial Analysts/ 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.*** – Within each level under Section 6.1 of this Circular, qualified officers and employees shall be ranked on a percentile basis based on their ratings under their GOCC's SPMS or its equivalent. The ratings shall be quantified for purposes of ranking and determining the distribution of the PBB 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 on their respective Transparency Seals the guidelines/mechanics in ranking the officers and employees according to the mechanism herein stated.

7. **RELEASE OF THE PBB.** – The Governing Board shall ensure that the PBB is released only to eligible and qualified officers and employees and only upon receipt of an authorization issued by 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.** – Notwithstanding the foregoing provisions, the GCG may deny or adjust the PBB to be granted to a GOCC in case of supervening events that significantly prejudice the financial position of the GOCC as determined by the GCG.

10. **GRIEVANCE MECHANISM.** – The Governing Board, through Management, shall set up a Complaints Mechanism to respond to PBB-related issues and complaints raised by officers and employees.

11. **REQUEST FOR RECONSIDERATION.** – Any request for reconsideration of the denial of the grant of the PBB, or a finding of non-compliance with OCRs (b), (c), and (d),

shall be filed with the GCG within twenty (20) working days from receipt of the notice of denial or finding of non-compliance. The request shall only be filed once, and shall be in writing, clearly stating the grounds relied upon and accompanied by supporting documents, if any. Only one (1) request for reconsideration shall be allowed. No subsequent request or submission shall be entertained.

For OCR (i), the request for reconsideration shall be filed directly with the appropriate validating agency within twenty (20) working days from issuance of the notice by the Administrative Order (AO) No. 25 Secretariat. A copy thereof shall be furnished to the GCG and the AO No. 25 Secretariat.

Requests for reconsideration involving all other OCRs shall be filed directly with the appropriate validating agency, with a copy furnished to the GCG, in accordance with its prescribed procedures, if any.

Failure to file a request for reconsideration within the prescribed period shall render the denial or finding of non-compliance final.

12. FUNDING FOR THE PBB. – The funding to support the PBB System herein shall be charged by a GOCC from its corporate funds, subject to the approval of its Governing Board in accordance with applicable laws, rules and regulations. However, it shall be prohibited to source the payment of the PBB from the following:

(a) Loans;

(b) Subsidy from the NG for the GOCC's operations, except for subsidy income or subsidy given by the 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 not in the ordinary course of business.

13. 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 (1) year from the receipt of the GCG-validated Performance Scorecard. For the FY 2024 PBB, GOCCs shall submit the complete required documents within one (1) year from the issuance of this Circular.

14. EFFECT OF SUBMISSION AND NON-SUBMISSION WITHIN 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 from granting the PBB to its officers and employees for the applicable year.

15. 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 responsible officers and/or employees of 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/or violation of the

provisions of this Circular; *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 the GOCC, in violation of the policy of paying the PBB based on the individual ranking; and

c. Releasing the PBB without authorization from the GCG.

16. **REPEALING CLAUSE.** – All other issuances related to the PBB for GOCCs under R.A. No. 10149 are hereby revoked, repealed or modified accordingly.

17. **EFFECTIVITY.** – This Circular shall take effect immediately upon its publication in the GCG's website at *www.gcg.gov.ph.*

[redacted]

ATTY. MARIUS P. CORPUS
Chairperson

[redacted]

ATTY. BRIAN KEITH F. HOSAKA
Commissioner

[redacted]

ATTY. GERALDINE MARIE B. BERBERABE-MARTINEZ
Commissioner

CHECKLIST OF DOCUMENTS TO BE SUBMITTED FOR THE GRANT OF PERFORMANCE-BASED BONUS (PBB)

DOCUMENTARY REQUIREMENTS	FORM OF SUBMISSION[14]
(a) Board Resolution authorizing the grant of PBB in accordance with applicable laws, rules and regulations, signed by the majority of the Board Members constituting a quorum ***(PBB Form 1)***	Hard copy
(b) Omnibus Certification ***(PBB Form 2)***	Hard copy
(c) Schedule and summary of the distribution of the PBB to qualified officers and employees who will receive the PBB and those who are in the "Below Very Satisfactory" category ***(PBB Forms 3a and 3b)***	Electronic and hard copies
(d) Payment of all statutory obligations: a. Tax clearance from BIR in accordance with BIR Revenue Memorandum Circular 32-2021, as amended; and b. Certification/ Validation from GSIS or SSS, Pag IBIG Fund, and PhilHealth.	Hard copy

[14] Electronic copies shall be submitted to the GCG through feedback@gcg.gov.ph