



Republic of the Philippines
Department of Labor and Employment
NATIONAL LABOR RELATIONS COMMISSION
Quezon City



ADMINISTRATIVE ORDER NO. 04-06
(Series of 2022)

In the interest of service, and pursuant to Memorandum Circular No. 2022-1, 24 March 2022 on the Guidelines on the Grant of the Performance-Based Bonus (PBB) for the Fiscal Year 2022 under Executive Order No. 80, series of 2012 and Executive Order No. 201, series 2016, the following are the criteria and conditions for the grant of PBB:

1.0 Purpose

This Circular is being issued to prescribe the criteria and conditions for the grant of the PBB for FY 2022 performance, to be given in FY 2023. In FY 2021, a simplified scheme was adopted to strengthen the effectiveness of the existing incentive system and assist agencies in achieving the goals and expected outcomes of the government. Under the simplified scheme, the PBB criteria were classified according to the four dimensions of accountabilities. A scoring system for accomplishments was introduced, which also enables agencies to conduct self-assessments of their overall performance. The agency score was tied-up to the rates of incentives and a higher threshold for individual performance rating was required in order to be eligible for the performance-based incentive.

The FY 2022 cycle shall continue to observe the simplified PBB scheme. The FY 2022 PBB will sustain focus on results, especially on the delivery of agency performance commitments and optimum utilization of agency budget, and make stronger the roles of agencies in ensuring accountability for results of their delivery units. Further, the FY 2022 PBB shall measure and evaluate agency performance highlighting the public's satisfaction with the quality of public service delivery, utilization of resources, and strengthened agency stewardship. The FY 2022 PBB shall facilitate a more transparent and objective assessment of performance and timely release of the PBB to eligible agencies.

2.0 COVERAGE

The FY 2022 PBB covers all departments, bureaus, offices, and other agencies of the National Government, including Constitutional Commissions, Other Executive Offices (OEOs), Congress, the Judiciary, Office of the Ombudsman, State Universities and Colleges (SUCs), Government-Owned or-Controlled Corporations (GOCCs), Local Water Districts (LWDs), and Local Government Units (LGUs).

2.1 The implementation of this Circular shall be done in close coordination with the following agencies:

- a. Department of Budget and Management (DBM) for the Departments and attached agencies;
- b. Office of the President-Office of the Executive Secretary (OP-OES), Office of the Cabinet Secretary (OP-OCS), and DBM for the other Executive Offices (OEOs), including the OP-attached agencies and GOCCs covered by DBM;
- c. Commission on Higher Education (CHED) for the SUCs;
- d. Governance Commission for GOCCs (GCG) for GOCCs covered by R.A. No. 10149;
- e. Local Water Utilities Administration (LWUA) for LWDs; and
- f. Department of the Interior and Local Government (DILG) for LGUs.

Accordingly, consistent with the Circular, the DILG, the LWUA, and the GCG shall issue separate guidelines for the grant of the FY 2022 PBB for LGUs, LWDs, and GOCCs covered by RA No. 10149, respectively, containing the specific targets/requirements to be satisfied by their covered agencies.

2.2 The personnel of agencies holding regular, contractual, and casual positions are covered by this Circular. Excluded from the coverage herein are individuals engaged without an employer-employee relationship and funded from non-Personnel Services (PS) budget.

3.0 ELIGIBILITY CRITERIA

To be eligible for the grant of the FY 2022 PBB, each agency must satisfy the criteria and conditions under the four dimensions of accountability: **Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results** and attain a total score of at least 70 points and achieve at least a rating of 4 for at least three (3) criteria based on the PBB Scoring System as will be discussed in detail in Section 4.0.

Similar to FY 2021 PBB, the **Performance Results** refer to the accomplishment of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2021 General Appropriations Act (GAA). The **Process Results** refer to the achievements in ease of doing business/ease of transaction with the agency as a result of streamlining, standardization *i.e., through the ISO-certified QMS or its equivalent*, digitization, and related improvements in the delivery of services. This is an existing criterion for NGAs and the GOCCs covered by the DBM. **Financial Results** refer to the actual spending of the agency's budget allotment vis-a-vis the realization of the committed programs and projects based on the FY 2022 GAA. The **Citizen/Client Satisfaction Results** refer to the achievements in satisfying the quality expectations of the transacting public/client.

For FY 2022, the Agency Accountability requirements as discussed in section 5.0 are retained and shall be used as the basis in determining the eligibility of responsible units and individuals.

4.0 FY 2022 PBB TARGETS, ASSESSMENT, AND SCORING SYSTEM

The agency's accomplishments for each of the criteria shall be rated using a scale of 1 to 5 (where 5 is the highest). Each criterion has an assigned weight, as shown in Table 1. The maximum score that may be obtained by the agency is 100 points. To be eligible for the FY 2021 PBB, the agency must attain a total score of at least 70 points, and achieve at least a rating of 4 for at least three (3) criteria.

TABLE 1: FY 2021 PBB SCORING SYSTEM						
CRITERIA AND CONDITIONS	WEIGHT	PERFORMANCE RATING				
		1	2	3	4	5
Performance Results	5	5pts	10pts	15pts	20pts	25pts
Process Results	5	5pts	10pts	15pts	20pts	25pts
Financial Results	5	5pts	10pts	15pts	20pts	25pts
Citizen/Client Satisfaction Results	5	5pts	10pts	15pts	20pts	25pts

As can be gleaned in Table 1, a performance rating of 4 in all criteria will yield a total score of 80 points for the agency. In case the agency fails to meet a rating of 4 in at least three (3) criteria, the unit most responsible (including its head) for the criteria with a performance rating of below 4 will be isolated from the grant of the FY 2022 PBB.

4.1 Performance Results. The targets under Performance Results will enable agencies to concentrate their efforts and available resources on their mandates and core functions, as well as ensure the delivery of high quality and high impact activities.

- a. For NGAs, GOCCs covered by the DBM, and SUCs, achieve each one of the Congress approved performance targets under the PIB of the FY 2022 GAA;
- b. For GOCCs covered by RA No. 10149, achieve the physical targets reflected in their approved FY 2021 Performance Scorecard and eligibility requirements specified in a separate guideline to be issued by the GCG;
- c. For LWDs, achieve each one of the physical targets as identified by LWUA in a Joint Memorandum Circular to be issued by LWUA and DBM; and,
- d. For LGUs, achieve the performance targets based on the Guidelines on the Grant of the PBB for LGUs to be issued by the DILG and DBM.

The agency's performance in the achievement of targets shall be closely monitored through the use of the submitted Unified Reporting System (URS) - generated Budget and Financial Accountability Reports (BFARs) which should be

submitted in a timely manner, i.e., within thirty (30) days after the end of each quarter, as provided under Item 3.19.2 of DBM National Budget Circular No. 587, pursuant to Section 99, General Provisions of Republic Act No. 11639 (FY 2022 GAA). to indicate the progress towards the accomplishment of broader societal and societal outcomes targeted by the agency for improving the lives of Filipinos.

BFARs will be used to monitor and validate agency accomplishments. For deficiencies or non-attainment of FY 2022 targets, justifications must be submitted together with the prescribed BFAR forms to the Commission on Audit (COA), the DBM, and the Bureau of Treasury (BTr), as applicable through the DBM URS, thirty (30) days after the end of the 4th quarter of FY 2022.

The requirements under Performance Results shall be assessed and scored as follows:

TABLE 2: RATING SCALE FOR PERFORMANCE RESULTS				
1	2	3	4	5
Met less than 80% of performance indicators of the Congress-approved performance targets FY 2022; deficiencies due to controllable factors	Met less than 80% of performance indicators of the Congress-approved performance targets FY 2022; deficiencies due to uncontrollable factors	Met at least 80% of performance indicators of the Congress-approved performance targets FY 2022; deficiencies due to controllable factors	Met at least 80% of performance indicators of the Congress-approved performance targets FY 2022; deficiencies due to uncontrollable factors	Met each one of the performance indicators of the Congress-approved performance targets FY 2022 (all performance indicators)

4.2 Process Results. The target under Process Results is the greater ease of transaction of core services based on mandated functions (external) covering all government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions, and the administrative and supporting services (internal) within the agency.

The ease of transaction of critical external and internal services may be achieved through streamlining; standardization of core processes including those implemented at the Regional, Satellite, and Extension Offices; *digitization e.g., by developing electronic*

or online paperless systems, new service delivery channels, contactless transactions; and other process improvements for faster and more efficient public service delivery.

4.2.1 For FY 2022, the target will be substantive improvements in ease of doing business/ease of transaction with respect to two (2) critical services consisting of one **(1) core service (external)** based on the mandated function of the agency and one **(1) support/administrative service (internal)** as declared in the agency's/SUC's updated Citizen's Charter and in line with the Anti-Red Tape Authority (ARTA)'s Whole-of-Government (WOG) Re-engineering Manual.

In the process of improving the services of agencies and in promoting the WOG approach in the bureaucracy, the ARTA enjoins all government agencies to adopt the WOG Reengineering Manual as a tool in the reengineering of government services which focuses on the reengineering of systems and procedures. It aims to support government agencies towards a new way of service delivery, giving better services for citizens through improvements in government agencies working in a more integrated, WOG approach.

As defined in ARTA MC 2019-002-A¹, the services may be categorized based on the following:

- a. **External services** – refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.
- b. **Internal Services** – refer to government services applied for or requested by internal clients or individuals who are within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include services such as, but are not limited to, back-end/support services to regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorizing, or concession.

4.2.2. In selecting the critical services to be prioritized by the agency (and which will be validated later by the ARTA for purposes of determining

eligibility for the PBB), the following factors shall be considered. The selected critical service is:

- a. A **core service** which is a process needed to achieve the overall mission and objectives of the public sector organization. These services may refer to those that are aligned with the agency's mandate and main functions.
- b. The **most complained service** with the greatest number of complaints received by the agency and other complaints-handling agencies.
- c. The **service/s with the greatest number of pending transactions of backlogs** that went beyond its prescribed processing time as declared in the agency's Citizen's Charter.
- d. A **service that generates income/revenue** for the government.
- e. A service **attributable to the Major Final Outputs (MFOs)/Programs** of agencies.
- f. A **service that involves inter-agency action** to complete the transaction.

4.2.3 The agencies and SUCs may use the concepts and tools indicated in the WOG Reengineering Manual in their reengineering efforts and may refer to the submitted *initial Reengineering Plan to ARTA* as the basis for prioritizing areas for improvement. The results of the implemented reengineering plan shall be reported through Annex 2: Modified Form A which also contains a guide in accomplishing said form. Agencies and SUCs must report objectively verifiable evidence of achievements in ease of doing business/ease of transaction using Annex 2.

The report should highlight the tangible improvements from the viewpoint of the transacting public/client in terms of access, turnaround time, transaction costs, documentary, and other requirements. Proof or evidence may be any of the following:

- a. ISO-QMS certification or equivalent certification, which covers the selected critical external and internal services. The ISO-QMS certification or equivalent certification of critical external and internal services of the agency must be valid as of 31 December 2022. The certificate must indicate the scope of certification. It is reminded that agencies must pursue continued certification, i.e., ensure that there is no gap or minimal gap in terms of the expiration of its previous certification and the effectivity date of its existing certification, except with justifiable reasons, e.g., *change of certification body which may cause a gap in the certification*. For specific details on the validation of ISO-QMS certification submitted as evidence or requirement, and the list of the acceptable ISO-QMS and equivalent certifications, please refer to *Annex 3 Guidelines on the validation of ISO Quality Management System (QMS) Certification/Recertification*.
- b. Most current and updated Citizen's Charter, reflecting the agency's improved and streamlined/re-engineered system and procedure for all its government services to citizens, businesses, and government agencies as prescribed by ARTA.
- c. Report on the digitization initiatives or digital transformation of external and internal services through the development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, contactless transactions, and other process improvements using information technology. The report should highlight the tangible results of digitization in terms of ease of doing business or ease of transaction from the point of view of the transacting public/client.
- d. Standard operating procedures, manual, or documentation of service delivery standards for frontline and non-frontline services of the agency, including those implemented at the Regional, Satellite, and Extension Offices. The report should highlight the tangible results of standardization of the frontline and non-frontline services. in assuring ease of transaction and doing business with the agency.

The requirement under the Process Results shall be assessed and scored as follows:

TABLE 3: RATING SCALE FOR PROCESS RESULTS <i>(Agencies and SUCs)</i>				
1	2	3	4	5
No substantial improvement in the ease of transaction in both external core and internal services	Achieved substantial improvements to ease transaction in internal service	Achieved substantial improvements to ease transaction in external service only	Achieved substantial improvements to ease transaction in external but non-priority core service and internal service	Achieved substantial improvements to ease transaction in priority core service (external) and internal service

4.3 Financial Results. For agencies and GOCCs covered by the DBM, attainment of the FY 2021 Disbursement BURs; and for SUCs likewise achieve the FY 2022 Disbursements BUR and the FY 2022 Earmarked Income targets.

Targets under Financial Results reflect final payments made from the agency's annual budget allotment to realize their committed programs and projects based on the valid appropriations for FY 2022. Hence for FY 2022, agencies shall accomplish the following Disbursements BUR:

4.3.1 Disbursements BUR - is measured by the ratio of total disbursements (cash and non-cash, excluding PS) to the total obligations for MOOE and CO made in 2021, net of goods and services obligated by December 31, 2021, but paid only in 2022. **The total obligations for MOOE and CO** shall refer to those made from the FY 2022 GAA, and the continuing appropriations under FY 2021 GAA, respectively. The objective is to measure the disbursements for the obligations for MOOE and CO made in 2022 from all valid appropriations. Transfers to other agencies shall not be considered as disbursements until such time such transferred funds have been actually utilized for payment, inspection, and acceptance of goods delivered and services rendered. Hence:

$$\text{Disbursement BUR} = \frac{\text{Total Disbursements (cash and non-cash, excluding Personal Services)} \\ \text{Net of payments made in 2022 for past years' obligations}}{\text{Total Obligations}}$$

4.3.2. BUR for GOCCs is computed as follows:

Disbursements BUR = Total Actual Disbursement/Total Actual Obligations (both net of Personnel Services)

4.3.3. **Agencies with fund transfers** either for operating or program subsidies or both shall also achieve and report the same Disbursements BUR for NGAs for all the subsidy releases for 2022 from the three appropriations sources above.

4.3.4. BUR for SUCs is computed as follows:

- a. **Disbursements BUR** is the same as those for agencies.
- b. Since all earmarked income of the *SUCs (e.g., trust funds, internally generated income, and revolving funds)* should benefit and improve the SUC's operations, its Disbursements utilization rates will also be reported following the formats in *Annexes 5, 5.1, and 5.2: FY 2022 GAA Accomplishments, BUR Form for SUCs, and All Earmarked Income.*

The requirements under the Financial Results shall be scored as follows:

TABLE 4: RATING SCALE FOR FINANCIAL RESULTS				
1	2	3	4	5
1-19% Disbursements BUR	20-39% Disbursements BUR	40-59% Disbursements BUR	60-79% Disbursements BUR	80-100% Disbursements BUR

4.4 Citizen/Client Satisfaction Results. For NGAs, GOCCs covered by the DBM, and SUCs accomplish and submit reports on the Citizen/Client Satisfaction Survey (CCSS), and resolve all reported complaints from Hotline #8888 and Contact Center ng

Bayan (CCB); and for LWDs and GOCCs covered by RA No. 10149, accomplish and submit reports on Client Satisfaction or feedback system as prescribed by LWUA and GCG.

4.4.1 For evidence on the citizen/client satisfaction results, agencies may report the results of the CCSS using *Annex 5*. Said report should follow the prescribed requirements and rating scale as stated in Annex 5. The report should include a description of the methods and rating scale used in determining the FY 2022 Overall Satisfaction Score for its services. The agencies shall report the overall agency rating in the service quality dimensions and overall agency citizen/client satisfaction score for the reported services.

LWDs and GOCCs covered by RA No. 10149 shall report the results of their CCSS or feedback mechanism based on the standard methodology and corresponding questionnaire prescribed by LWUA and GCG.

4.4.2 Resolution and compliance to reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB), Agencies shall ensure the resolution of all complaints and grievances reported to Hotline #8888 and CCB, and their compliance to the 72-hour prescribed period to take actions on complaints as provided in EO No. 6, s. 2016.

Reported complaints and grievances shall cover government service and procedures of the agencies, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities.

To provide evidence on this, agencies may submit a report summarizing the Hotline # 8888 and CCB complaints received in FY 2022 and their status if resolved or pending. The validation shall be complemented with reports and collected data on feedback and complaints from citizens/clients gathered by the Office of the President, Presidential Management Staff, Civil Service Commission, and Presidential Communications Operations Office from Hotline # 8888 and CCB databases, as well as the Freedom of Information (FOI) portals.

To determine the resolution and compliance rates to Hotline # 8888 and CCB complaints, agencies may refer to item IV of Annex 5 or with the definitions provided in Section 2.4.2c of MC No. 2021-2.

The requirements under the Citizen/Client Satisfaction Results shall be scored as follows:

TABLE: RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS				
1	2	3	4	5
No submission/ Did not conduct CCSS	Average satisfaction rate with unresolved #8888/CCB complaints and at least 30% compliance rate to #8888 and CCB	More than average satisfaction rate with unresolved complaints and at least 50% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and at least 80% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and compliance rate to #8888 and CCB

5.0 AGENCY ACCOUNTABILITIES

To sustain the institutionalization of compliance to existing government-mandated laws and standards, agencies and their Performance Management Team (PMT) shall continue to implement, monitor, and enforce compliance with the following requirements within their agencies. *See Annex 6: FY 2022 Agency Accountability Timelines*

TABLE 6: AGENCY ACCOUNTABILITIES	
Existing Agency Accountabilities	<ul style="list-style-type: none"> a. Updating of Transparency Seal b. Compliance to Audit c. Compliance with the Freedom of Information (FOI) Program d. Submission and Review of Statement of Assets, Liabilities, and Net Worth (SALN) e. PhilGEPS posting of all invitations to bids and awarded contract (<i>Annex 7</i>) f. FY 2022 Non-Common Use Supplies and Equipment (APP-non CSE) g. Posting of Indicative FY 2023 APP-non CSE h. FY 2023 Annual Procurement Plan-Common Use Supplies and

	<p>Equipment (APP-CSE)(Annex 8)</p> <p>i. Results of FY 2021 Agency Procurement Compliance and Performance Indicators (APCPI) System</p> <p>j. Undertaking of Early Procurement Activities covering FY 2023 Procurement Projects</p>
New Agency Accountabilities beginning FY 2022 PBB	<p>k. Designation of the Agency's Committee on Anti-Red Tape (CART)</p> <p>l. Compliance with the National Competition Policy (NCP)</p>

5.1 Compliance of agencies on the designation of a Committee on Anti-Red Tape (CART) pursuant to Section 1, Rule III of the Implementing Rules and Regulations of RA No. 11032 and in accordance with the issued ARTA Memorandum Circular 2020-007 or "Guidelines on the Designation of a CART".

5.2 Directing the Adoption and Implementation of the National Competition Policy (NCP). All agencies are directed to adopt and implement, following their respective mandates, the NCP and its key elements, as contained in the National Economic and Development Authority and Philippine Competition Commission (PhCC) Joint Memorandum Circular No. 01-2020, s. 2020. Covered agencies as identified in Annex 9 shall:

- a. review at least one (1) policy, issuance, rules, and/or regulations relevant to market competition based on the application of the Competition Impact Assessment (CIA) by **30 November 2022**;
- b. designate a focal person/unit for NCP implementation;
- c. record attendance of a focal person and his/her team to trainings on the CIA tool and other competition law-related seminars; and
- d. provide a list of agency's policy issuances, rules, and/or regulations relevant to market competition. *See Annex 9.1*

If there are no such relevant policy issuances, rules, and/or regulations, a certification signed by the head of agency stating that there is none shall be submitted. *See Annex 9.2*

While the above-mentioned conditions are no longer required in determining the overall PBB eligibility of agencies, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. Agencies should submit these legal requirements directly to the validating agencies.

6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- 6.1 For FY 2022 PBB, the delivery units (DUs) of eligible agencies shall no longer be ranked. However, the unit/s most responsible for deficiencies shall be isolated.
- 6.1.1. Based on Table 1, to be eligible for the FY 2022 PBB, the agency must attain a total score of at least 70 points and achieve at least a rating of 4 for at least (3) criteria. To be able to attain at least 70 points, the agency should achieve a performance rating of 4 in at least three (3) criteria. In case the agency fails to meet a rating of 4 in at least three (3) criteria, the unit/s most responsible (including its head) for the criteria stated in Section 3.0 with a performance rating of below 4 will be isolated from the grant of the FY 2022 PBB.
- 6.1.2. The unit/s most responsible (including its head) for the non-compliance with the Agency Accountabilities provided in Section 5.0 will also be isolated from the grant of the FY 2022 PBB.
- 6.2 Eligible DUs shall be granted FY 2022 PBB at uniform rates across the agency, including its officials and employees. The corresponding rates of the PBB shall be based on the agency's achieved total score as shown in Section 7.0.
- 6.3 To be eligible for FY 2022 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least "Very Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB.
- 6.4 Department Secretaries, Heads of OEOs, Chairpersons, and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio. Heads of GOCCs covered by the DBM are eligible only if their respective agencies are eligible. If eligible, their PBB rate for FY 2021 shall be equivalent to the rates as stated in Section 7.0 and shall be based on their monthly basic salary (MBS) as of December 31, 2022.
- 6.5 Non-ex Officio Board Members of GOCCs covered by the DBM may be eligible to the PBB with the equivalent rates following Section 7.0 and these conditions:

- a. The GOCC has qualified for the grant of the FY 2021 PBB;
- b. The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
- c. The Board Member has nine (9) months aggregated service in the position; and
- d. The GOCC has submitted the appropriate annual Board-approved Corporate Operating Budget to DBM following the Corporate Budget Circular No. 22 dated December 1, 2016.

- 6.6 For SUCs, in case there is a change in leadership within the year, the SUC President who served the longest shall be entitled to the PBB with the equivalent rates following the provisions stated in Section 7.0.

The PBB rate of the SUC President who served for a shorter period shall be based on the eligibility of the SUC where he/she served the longest.

- 6.7 To be eligible for FY 2022 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least "Very Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the Career Executive Service Board (CESB).
- 6.8 Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. The payment of the PBB shall come from the mother agency.
- 6.9 Personnel who transferred from one government agency to another agency shall be included 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.
- 6.10 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 the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.12.

- 6.11 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Very Satisfactory rating may be eligible for the full grant of the PBB.
- 6.12 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least a 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-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; and/or
 - h. Sabbatical Leave.
- 6.13 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of the PBB.
- 6.14 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2022 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.
- 6.15 Officials and employees who failed to submit the 2021 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3

s. 2015; 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 FY 2022 PBB.

- 6.16 Officials and employees who failed to liquidate all cash advances received in FY 2021 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997, and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2022 PBB.

7.0 Rates of the PBB

The total score as stated in Section 4.0 shall be the basis in determining the amount of the PBB an agency is eligible for. The maximum rate of the PBB for agencies that will achieve 100 points shall be 100% of the 65% monthly basic salary (MBS) of an individual as of December 31, 2021. For illustration, see Table 6 below:

TABLE 6: RATES OF THE PBB	
TOTAL SCORE	PBB RATES
100 points	65% (100% of the 65% monthly basic salary)
95 points	61.75% (100% of the 65% monthly basic salary)
90 points	58.5% (100% of the 65% monthly basic salary)
85 points	55.25% (100% of the 65% monthly basic salary)
80 points	52% (100% of the 65% monthly basic salary)
75 points	48.75% (100% of the 65% monthly basic salary)
70 points	45.5% (100% of the 65% monthly basic salary)

8.0 TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- 8.1 The quarterly BFARs of the agencies, as uploaded in the DBM URS, shall be submitted in a timely manner, i.e., within thirty (30) days after the end of each quarter, as provided under Item 3.19.2 of National Budget Circular No. 587, pursuant to Section 99, General Provisions of Republic Act No. 11639 (FY 2022 GAA). BFARs will be used to assess and validate Performance Results. Non-compliance thereto must be supported with relevant justification.
- 8.2 All agencies should submit evidence of accomplishments of Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results (as provided in Section 4.0) on or before **February 28, 2023**. Agencies are encouraged to make an electronic submission (scanned copy of the official submission and editable MS Word or Excel files for use of the AO 25 Secretariat).
- 8.3 Agencies shall ensure that all explanations and justifications for deficiencies are already attached in their submission.
- 8.4 The AO 25 IATF shall conduct spot checks to validate claims and certifications made by the agencies on their submitted/posted reports and/or requirements.
- 8.5 Agencies are encouraged to provide information to the AO 25 Secretariat *on compliance with the Agency Accountabilities provided in Section 5.0*.
- 8.6 Agencies shall be responsible for the review and updating of their respective Personnel Services Itemization and Plantilla of Personnel (PSIPOP) under the DBM's Government Manpower Information System (GMIS). Under National Budget Circular (NBC) No. 549², agencies shall review the PSIPOP and update the Plantilla of Personnel (POP) portion thereof, and upload the same to the GMIS database every last week of the month. The PSIPOP shall serve as the primary source of data in determining the total FY 2022 PBB requirements of the agency, to be complemented by a simplified *Annex 10: Report on Ranking of Offices/Delivery Units*.

For agencies with non-permanent positions or excluded from the coverage of GMIS, a modified Form 1.0 shall be submitted to the DBM for review and evaluation.

9.0 EFFECTS OF NON-COMPLIANCE

A Department/Agency/GOCC/LWD/LGU, which, after due process by the oversight agency has been determined to have committed a prohibited act, shall be disqualified from the PBB in the succeeding year of its implementation.

Moreover, the CSC or Ombudsman shall file the appropriate administrative case for misrepresentation in the submitted/posted reports and requirements for the PBB, a commission of fraud in the payment of the PBB, and violation of the provisions of this Circular.

10.0 COMMUNICATION AND CHANGE MANAGEMENT

10.1 Head of Agencies with the support of their PMTs should enhance the implementation of their internal communications strategy on the PBB and fulfill the following:

- a. Engage their respective employees in understanding the PBB, the performance targets of their respective agencies, as well as the services and outputs that they will need to deliver to meet these targets.
- b. Disseminate the performance targets and accomplishments of their agencies to their employees through the intranet and other means, as well as publish these on their respective websites for the public's information.
- c. Set up a Help Desk to respond to queries and comments on the targets and accomplishments of their agencies. The Help Desk may be a facility that is embedded in the respective websites of agencies.
- d. Set up a Complaints Mechanism to respond to the PBB-related issues and concerns raised by officials and employees of their

respective agencies. Such may be incorporated in the functions of their Grievance Committee.

- 10.2 The Head of Agency shall designate a senior official who shall serve as a PBB focal person. The offices responsible for the performance management may be tasked to provide secretariat support to the PMT and to recommend strategies to instill a culture of performance within the agency. The name, position, and contact details (e-mail, landline, facsimile, cellular phone) of PBB focal persons should be submitted to the AO 25 Secretariat.
- 10.3 Agencies should strengthen their communications strategy and ensure transparency and accountability in the implementation of the PBB.
- 10.4 The AO 25 IATF shall maintain the following communication channels:
 - a. AO 25 Secretariat at ao25secretariat@dap.edu.ph
 - b. RBPMS website www.rbpms.dap.edu.ph
 - c. Telephone: (02) 8400-1469, (02) 8400-1490, (02) 8400-1582
 - d. Facebook: www.facebook.com/PBBsecretariat

11.0 APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE AND JUDICIAL BRANCHES

The Congress, the Judiciary, and Constitutional Commissions are encouraged to follow these guidelines to be eligible for the FY 2021 PBB.

12.0 EFFECTIVITY CLAUSE

This Memorandum Circular shall take effect immediately.

Certified true copies shall be posted on the RBPMS website (<https://rbpms.dap.edu.ph/>), DBM website (<https://www.dbm.gov.ph/>), and the Official Gazette (<https://www.officialgazette.gov.ph/>), and shall be filed at the University of the Philippines Law Center.

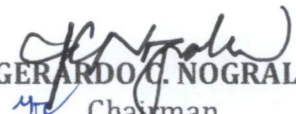
Agency Accountability Timelines

For reference, agencies should observe the timelines and comply with the following requirements under Section 5.0: Agency Accountabilities of Memorandum Circular (MC) 2021-1:

Deadline	Requirements	Validating Agency
On or before 31 January of the fiscal year	Submit Certificate of Compliance that the agency conducted Early Procurement Activities for at least 50% of the Total Value of the FY 2022 Procurement Projects to the GPPB-TSO. <i>Note: Early Procurement Activities should be conducted in FY 2022</i>	GPPB-TSO
March 31, 2022	Submit FY 2021 APP-non CSE to GPPB-TSO.	GPPB-TSO
June 30, 2022	Submit Results of the APCPI system for FY 2020 Procurement Transactions to GPPB-TSO.	GPPB-TSO
September 30, 2022	Submit the FY 2023 APP-CSE thru the PhilGEPS Virtual Store.	DBM-OCIO
September 30, 2022	Posting of Indicative FY 2023 APP-non CSE in the agency's Transparency Seal webpage.	PS-DBM
October 01, 2022	Maintain/Update the agency Transparency Seal (TS) under Section 96 of the General Provisions of the FY 2021 General Appropriations Act (GAA). The TS page should be accessible by clicking the TS logo on the home page.	DBM-OCIO
October 1, 2022	Post the agency's policy on the Establishment and Conduct of the Agency Review and Compliance of SALN in the agency Transparency Seal for FY 2022.	CSC
November 30, 2022	Submission of the National Competition Policy (NCP) requirements as stated in Section 5.2 of the FY 2022 PBB Guidelines.	PhCC
December 31, 2022	Sustained Compliance w/ Audit Findings Fully implement 30% of the prior years' audit recommendations as shown in the Report on Status of Implementation of Prior Years' Recommendations. These recommendations will exclude the Property, Plant, and Equipment (PPE)-related items of the Annual Audit Report (AAR). Audit findings closed since FY 2020 should also not recur. The objective is to improve the agency's internal control processes, enhance operational effectiveness, and eliminate, resolve and remedy	COA

	most, if not all, of the agency audit findings, by the end of 2022.	
January 30, 2023	Update all procurement requirements for transactions above 1 million from January 1, 2022 to December 31, 2022 in the PhilGEPS .	PS-PhilGEPS
January 30, 2023	Submit the following Freedom of Information (FOI) Program requirements to PCOO: a. Updated People's FOI manual b. Updated One-page FOI Manual c. FOI reports: Agency Information Inventory, 2022 FOI Registry, and 2022 FOI Summary Report d. Link to the agency's dashboard in the electronic FOI(eFOI) portal (www.foi.gov.ph) e. Updated AID-FOI Tool f. FOI Client/Customer Satisfaction Report	PCOO
February 28, 2023	Designation of the Agency's Committee on Anti-Red Tape (CART) Compliance and submission of requirements to ARTA pertaining to the agency's CART as stated in ARTA MC No. 2020-007	ARTA

For your information and guidance.
28 April 2022


GERARDO C. NOGRALES
Chairman