

# PERFORMANCE-BASED BONUS

The Government is adopting a policy on performance-based incentives to reward exemplary performance!



**JUAN DELA CRUZ**

Government employee, 58 10

**Gross Salary – Php17,255.00**

\*Exclusive of allowances

Bonuses

## PERFORMANCE-BASED BONUS (PBB)

On top of other bonuses, gov't employees can qualify for the PBB. It is part of the Performance-Based Incentives System, a breakthrough program launched by the Aquino administration in 2012 to reward exemplary public service.

## PRODUCTIVITY ENHANCEMENT INCENTIVE (PEI)

\*Amount dependent on Executive Order issued yearly

## CASH GIFT

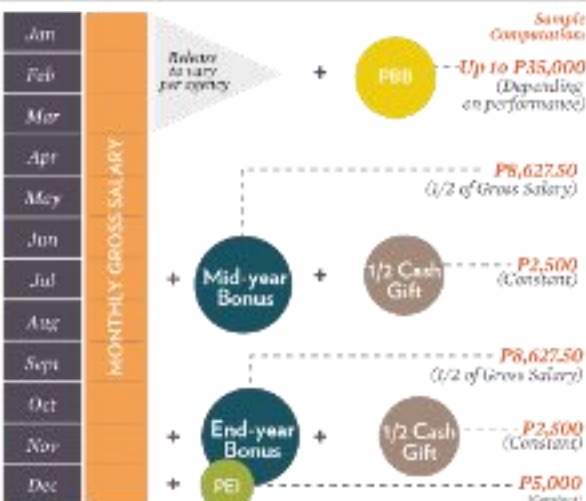
\*Amount fixed at P5,000.00

## MID- AND END-YEAR BONUSES

\*24th month pay

## SALARY

\*As of July 2012, the 4th tranche of what is popularly known as the Salary Standardization Law III (SSL) has been implemented.<sup>3</sup>



<sup>1</sup> RA 9504, directing the adoption of a performance-based incentive system for government employees

<sup>2</sup> An executive issuance issued yearly authorizes the release of the PEI.

<sup>3</sup> RA 8708, signed into Law in 1989, resolved previous distortions in the government compensation system by, among other things, upgrading the salary of government workers to market. Wage increases brought about by SSL III are a direct result of the implementation of this law.

## Why change the current incentive system?



To make it more fair. Under the current incentives system, bonuses are given uniformly to all civil servants regardless whether they do their job well or not.



Under the new incentives system, bonuses will be allocated in a way that is more fair. Good work will be encouraged, and bad work will be discouraged.



Good work leads to better services for our people and encourages a culture of merit.

## How can our department qualify for the PBB?

**1 Achieve at least 90% of set targets**

An agency determines its own targets. There are two kinds:

### PRIORITY PROGRAM TARGETS

Determined by Key Result Areas, approved by the President and based on his Platform.

### MAJOR FINAL OUTPUTS (MFOs)

Based on services and goods an agency should deliver. Approved by Congress.

**2 Meet all 4 Good Governance requirements set by the Inter-Agency Task Force created by A025<sup>4</sup>**

- Mandatory disclosure of budget information on the agency website
- Posting of all invitations to bid and awarded contracts in the Philippine Government Procurement Electronic System (PHILGEPS)
- Liquidation of all cash advances for the year within the reglementary period
- Establishment of a Citizen's Charter or its equivalent

**3 Submit compliance reports on or before the deadline.**

<sup>4</sup>Administrative Order 25, s. 2011, Creating an inter-agency task force on the harmonization of National Government performance monitoring, information and reporting systems

The incentive rates vary and will be based on 2 factors: an employee's performance and the performance of his or her agency.

Bureau/ Unit ranking	Employee performance appraisal			
	Best Top 10% ☆☆☆	Better Next 25% ☆☆	Good Up to 65% ☆	Poor ☹
Best Top 10% ☆☆☆	P35,000	P20,000	P10,000	Employee rated poor in the annual Performance Appraisal System.
Better Next 25% ☆☆	P25,000	P13,500	P7,000	
Good Up to 65% ☆	P15,000	P10,000	P5,000	
Poor ☹				

**Best Performer in a Best Bureau**

**7**

Juan Dela Cruz  
Php15,000.00

☆☆☆  
Best

☆☆  
Better

☆  
Good

## Funding

The PBB shall be sourced from the Miscellaneous Personnel Benefits Fund (MPBF).

MPBF: Yearly agency budget for personnel benefits of government officials and employees, including compensation adjustments under the Salary Standardization Law.