



# Laws and Rules on Government Expenditures

PAGBA 2019 2nd Quarterly Seminar  
May 1-4, 2019  
Crown legacy Hotel, Baguio City



# Expenditure

- **The incurring of liability, the payment of cash, or transfer of property for the purpose of acquiring an asset or service or settling a loss.**
- **The amount of cash or property paid for a service rendered, or an asset purchased.**

# CLASSES OF EXPENDITURES

1. **Personal Services**
2. **Maintenance and Other Operating Expenses**
3. **Capital Outlay**
4. **Financial Expenses**

# Basic Requirements

(applicable to all classes of disbursements)

1. Certificate of Availability of Funds
  - existence of a lawful and sufficient allotment certified as available by the Budget Officer
2. Approval of the expense by head of office or authorized representative

## Basic Requirements

(applicable to all classes of disbursements)

3. Documents to establish validity of claims
4. Legality of transactions and conformity of the expenditure with existing LRRs
5. Proper accounting treatment



# Personal Services

## Personnel benefit costs -

- Salaries
- salary increases
- step increments
- incentive and service fees
- commutation of VL & SL
- Retirement and life insurance premiums
- Compensation insurance premiums
- Health insurance premiums
- HDMF contributions

# Personal Services

## Personnel benefit costs -

- All kinds of allowances, whether commutable or reimbursable, in cash or in kind
- Other personnel benefits and privileges authorized by law, including the payment of retirement gratuities, separation pay and terminal leave benefits

# Salaries and Wages

- ❖ Existence of a legally created position with fixed compensation or emolument attached to the position;
- ❖ Issuance of a valid appointment;
- ❖ Rendition of services being paid; and
- ❖ Payment to the right person.



# First Salary

- ❑ **Certified true copy of duly approved appointment by appointing authority;**
- ❑ **Certified true copy of oath of office;**
- ❑ **Approved evidence of service rendered or daily time record (DTR);**
- ❑ **Evidence or certificate of compliance with the condition set forth in approval of the appointment;**

# First Salary

- ❑ **Statement of Assets, Liabilities and Net Worth**
- ❑ **Certificate/Notice of Assumption**
- ❑ **BIR withholding certificates (Forms 1902 and 2305)**
- ❑ **Payroll Information on New Employee (PINE) (for agencies with computerized payroll system)**
- ❑ **Authority from the claimant and identification documents, if claimed by person other than the payee**

# First Salary of a transferee

**In addition to the documentary requirements in payment of the first salary:**

- **Clearance from money, property and legal accountabilities from the previous office;**
- **Certification by the Chief Accountant of last salary received from previous office duly verified by the assigned auditor thereat**

# First Salary of a transferee

**In addition...first salary:**

- **BIR Form 2316 (Certificate of Compensation Payment/Tax Withheld);**
- **Certificate of Available Leave Credits;**
- **Service Record**

# Salary if deleted from the payroll

- ✓ **Approved DTR**
- ✓ **Notice of Assumption**
- ✓ **Approved Application for Leave, Clearance, and Medical Certificate (if on sick leave for five days or more)**



# Salary Differentials due to Promotion and/or Step Increment

- ❑ **Certified true copy of duly approved appointment by appointing authority due to promotion**
- ❑ **Notice of Salary Adjustment (NOSA) due to step increment/salary increase**
- ❑ **Certificate/Notice of Assumption**
- ❑ **Approved DTR or certification that the employee has not incurred leave without pay**
- ❑ **Promotional Appointment/NOSA**

# Last Salary

- ❑ **Approved DTR**
- ❑ **Clearance from money, property and legal accountabilities**

# Salary Due to Heirs of Deceased Employee

- ❑ **Same requirements as those for the last salary**
- ❑ **Additional requirements:**
  - **Death Certificate authenticated by PSA (formerly NSO)**
  - **MC authenticated by PSA, if applicable**
  - **Birth Certificates of surviving legal heirs authenticated by PSA**

# Salary Due to Heirs of Deceased Employee

- **Additional requirements:**
  - **Designation of next-of-kin**
  - **Waiver of right of children 18 years old and above, if applicable**

# Salary - General Claims through ATM

- ❑ **Salary Payroll**
- ❑ **Payroll Register (hard and soft copy)**
- ❑ **Letter to the bank to credit employees' account of their salaries or other claims**
- ❑ **Validated Deposit Slips**



**Other**

**Compensation**



# Personnel Economic Relief Allowance (PERA)

- **Paid when basic salary is paid**
- **Paid to personnel for full time service rendered**
- **DBM BC No. 2009-003 dated Aug. 18, 2009**

**Sec. 48, GAA FY 2017**

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# Representation Allowance (RA)

**Amount granted to authorized officials and employees for official entertainment while in the actual performance of their respective functions or duties and responsibilities pertaining to their positions**

**Sec. 54, GAA FY 2017**

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# Transportation Allowance (TA)

**Amount granted to authorized officials and employees for transportation expenses which shall be paid from the programmed appropriations provided for their respective offices**

**Sec. 54, GAA FY 2017**

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# RATA

## Who are entitled to receive RATA?

1. Those who are expressly authorized in the *GAA* and those of equivalent rank as may be determined by the DBM; and
2. Those who are duly designated by competent appointing authority to a vacant position which is entitled to RATA.



# RATA

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Item(4)(g)(i) of Joint Resolution No. 4 s. 2009 of the Senate and House of Representatives - **RATA** is among the Specific-Purpose Allowances and Benefits under the Total Compensation Framework of the Compensation and Position Classification System established under RA 6758, as amended.



# RATA

**DBM NBC No.548 dated May 15,  
2013 (amended rules and  
regulations on the grant of  
RATA)**

# RATA

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Granted to officials/employees entitled such as those:

- Expressly authorized in the GAA and those of equivalent rank as may be determined by the DBM
- Designated to a vacant position which is entitled to RATA
- Assigned or use gov't transportation



# RATA

▪ Dept. Secretaries	SG-31	P14,000
▪ Dept. Undersecretaries	30	11,000
▪ Dept. Asst. Secretaries	29	10,000
▪ Bureau Directors/RDs	28	9,000
▪ Asst. Bureau Directors/ ARDs/Bureau RDs/SCs	27	8,500
▪ Asst. Bureau Reg'l Directors	25	7,500
▪ Chiefs of Division	24	5,000

**Sec. 54, GAA FY 2017**

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# RATA

<b>Number of Workdays of Actual Work Performance in a Month</b>	<b>Actual RATA for a Month</b>
<b>1 to 5</b>	<b>25% of the monthly RATA</b>
<b>6 to 11</b>	<b>50% of the monthly RATA</b>
<b>12 to 16</b>	<b>75% of the monthly RATA</b>
<b>17 and more</b>	<b>100% of the monthly RATA</b>

**NBC 548 dated 15 May 2013**





# RATA

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The following instances shall be construed as actual work performance:

- ✓ Public holiday falling on a workday
- ✓ Compensatory time-off in accordance with CSC-DBM Joint Circular No. 2, series of 2004, as amended
- ✓ Time-off from work charged against the five days forced or mandatory leave in accordance with CSC Memo Circular No. 41, series of 1998
- ✓ Special emergency leave for employees affected by natural calamities or disasters
- ✓ Suspension of work as declared by competent authority

NBC 548 dated 15 May 2013



The following leaves shall not be construed as actual work performance:

- ☒ Vacation leave with pay in excess of five days forced or mandatory leave
- ☒ Sick leave with pay
- ☒ Maximum of Three days SLP
- ☒ Maximum of Seven days Paternity Leave
- ☒ Maximum of Seven days Parental leave to Solo Parents
- ☒ Maximum of Ten days leave for victims of violence against women and their children
- ☒ Maximum of 60 days maternity leave
- ☒ Maximum of Two months special leave benefits for women
- ☒ Maximum of Six months rehabilitation leave
- ☒ Maximum of Six months study leave



# Rules on RATA

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- Charged to budgets appropriated for the purpose
- Official assigned or use gov't transportation are not entitled to receive the TA
- Proportionate amount deducted from TA of officials who are not assigned but made use of gov't transportation in the performance of regular duties



# Rules on RATA

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- Employee who occupies position not authorized to collect RATA but designated to the position entitled to the regular RATA, entitled on reimbursable basis
- Official wrongfully removed or prevented from performing duties is entitled to salaries but not RATA



# Rules on RATA

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## Documentary requirements for initial payment

- Copy of appointment or office order designating the incumbent to the position
- Certificate of assumption
- Certificate that the official did not use/is not assigned government vehicle
- DTR or equivalent





# Rules on RATA

- 1) The payment of RATA must be expressly authorized by law or provided in an approved budget not exceeding the rates authorized in the General Provisions of the GAA as implemented by DBM NBC No. 548 dated May 15, 2013;
- 2) Grant of RATA is based on the number of days of actual work performance on workdays by the official concerned

# Rules on RATA

- 3) Those who are assigned or who use government motor transportation shall no longer be entitled to TA, but only to commutable RA for the month.
- 4) The grant of RA shall be based on the number of days of actual work performance on workdays of by the official concerned.

# Rules on RATA

5) When an incumbent is prevented from the use of a government motor transportation for 3 days or more, the grant of TA may be allowed, pro-rated based on the number of days of actual work performance on workdays without an official vehicle.

# Rules on RATA

6) An incumbent who is on a full time detail to another government agency, or on re-assignment within the same agency or to a special project, may be authorized to continue to collect RATA, provided that the duties and responsibilities in the new post are comparable with the supervisory or managerial nature of the regular position as duly certified by the agency head, subject to availability of funds

# Rules on RATA

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7) Employee on authorized full-time attendance in scholarship/study/training grant may be allowed to continue to collect RATA on reimbursable basis, subject if the HOA certifies that:

- The grant is part of the training and development program of the agency and is aimed at directly enhancing the capability of the employee to perform duties and responsibilities of the position
- The grant requires frequent interaction, coordination and mobility in order to fulfill the requirements of the course, which entail expenses not covered by the grant
- Grant of RATA shall not exceed 6 months





# RATA

## Documentary Requirements

- **For General Claims**
  - RATA Payroll
  - Payroll Register (hard and soft copy)
  - Letter to the bank to credit employees' account of their RATA claims, if applicable
  - Validated deposit slip, if applicable

# Maternity Leave

- » Cannot be deferred - Enjoyed within the actual period of delivery in a continuous and uninterrupted manner
- » Aggregate two or more years of service - 60 days with full pay
- » One year or more but less than two years - in proportion to length of service
- » Less than one year - 60 days half pay
- » May be granted more than once a year
- » Granted in every instance of pregnancy irrespective of its frequency



# Maternity Leave

- » May be granted if the delivery occurs not more than 15 calendar days after the termination of service
- » If entitled, may be availed of even if on extended leave of absence without pay
- » May be availed of even if with a pending administrative case
- » Contractual employees are entitled
- » Married/unmarried may avail of the leave

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# Maternity Leave

- » Employee may be allowed to report back for duty provided she presents a medical certificate that she is physically fit to assume duties of her position
- » Commuted money value of unexpired portion of leave need not be refunded. Both maternity benefits granted and salary for actual services rendered may be given

$$\text{Salary} = \text{MBS}/22 \times \text{no. of days worked}$$



# Maternity Leave

$$\frac{\text{No. of Days of Service}}{720 = 2 \text{ years}} \times 60 = \text{ML w/ pay}$$

**Ex. 1 year 8 months service = 600 days**

$$\frac{600 \text{ days}}{720 \text{ days}} \times 60 \text{ days}$$

**720 days**

**= 50 days with pay**





# Maternity Leave

## Documentary Requirements

- ❑ **Certified true copy of approved application for leave**
- ❑ **Certified true copy of maternity leave clearance**
- ❑ **Medical certificate for maternity leave**

# Maternity Leave

**Additional requirements for unused ML  
(upon assumption before the expiration of  
the 60-day ML)**

- ❑ **Medical Certificate that the employee is physically fit to work**
- ❑ **Certificate/Notice of Assumption**
- ❑ **Approved DTR**

# Uniform or Clothing Allowance

## Entitlement

- Six consecutive months of service including leaves of absence with pay
- Newly hired - after six months of service or in the next grant thereof whichever comes later
- On detail - borne by the mother agency
- Transferees - based on date of assumption
  - During the **first** six months - if not granted by the former, the new agency to which he transfers shall grant
  - During the **last** six months - they shall no longer be granted by the new agency

Sec. 49, GAA FY 2017

# Clothing/Uniform Allowance

## Documentary Requirements

- For individual claims
  - Certified true copy of the approved appointment of new employee
  - Certificate of assumption of new employee
  - Certificate of non-payment from previous agency, for transferees

# Clothing/Uniform Allowance

## Documentary Requirements

- For general claims
  - Clothing/Uniform Allowance payroll
  - Payroll register (hard and soft copy)
  - Letter to the bank to credit employees' account of their allowance
  - Validated deposit slips, if applicable



# Quarters Privileges

- Officials transferred from one station to another by virtue of agency policies on reshuffling or rotation and do not own houses or rooms therein shall be provided with free quarters within the office premises
- Where there is not enough space, may rent buildings or rooms
- Those who opt for more expensive quarters shall pay the difference
- Those who are not entitled may be allowed but shall be charged the corresponding rental

Sec. 56, GAA FY 2017

# Honoraria

**Granted to government personnel performing activities or discharging duties in addition to, or over and above their regular functions**

**Sec. 53, GAA FY 2017**

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# Honoraria

- a) Teaching personnel of the DepEd, TESDA, SUCs and other educational institutions engaged in actual classroom teaching whose teaching load is outside of the regular office hours or in **excess of the regular load**
- b) Lecturers, RPs, coordinators and facilitators in seminars
- c) Chairs and members of commissions, boards, councils and other similar entities who are not paid salaries or per diems
- d) Those involved in science and technological activities who render services beyond their regular workload

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# Honoraria

- e) Officials and employees assigned to special projects, if:
  - > Projects are reform-oriented or developmental, contribute to the improvement of service delivery and enhancement of the performance of the core functions of the agency and have specific timeframes and deliverables
  - > Assignment entails rendition of work in addition to, or over and above, regular workload
  - > Shall not exceed 25% of the basic annual salary
  
- f) Officials and employees authorized under RA 9184 and its IRR (BAC)

Sec. 55, 2015 GAA

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# Honoraria

Payment for services rendered by government personnel performing activities or discharging duties **in addition** to their regular functions

- » Services of personnel with expertise or professional standing in recognition of his broad and superior knowledge in specific fields
  - ❖ Shall not exceed 50% of the basic annual salary
  
- » Personnel involved in government procurement
  - ❖ Shall not exceed 25% of the basic annual salary

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# Honoraria

## General Guidelines

- » For personnel involved in government procurement, grant shall be pursuant to DBM Budget Circular Nos. 2003-5 dated Sept. 26, 2003; 2007-1 dated April 23, 2007; 2007-510 dated May 8, 2007, 2007-2 dated October 1, 2007 BC No. 2004-5A dated October 7, 2005 as amended by BC 2007-3 dated 29 November 2007



# Honoraria for Procurement Officials

## Specific Guidelines -

- » Duly assigned as chair or member of the BAC or TWG
- » Chairs and members of the BAC & TWG may be paid **only for successfully completed projects**
- » BAC Secretariat performing attendant functions in addition to their regular duties may also be paid at the same rate as that of the TWG
- » Payment is limited to procurement that involves competitive bidding

BC 2004-5A dated October 7, 2004

BC 2007-3 dated November 29, 2007



# Honoraria

## Specific Guidelines

BC 2004-5A dated October 7, 2004

BC 2007-3 dated November 29, 2007

- » BAC Secretariat members whose positions are in the Procurement Unit and admin staff supporting the BAC shall not be entitled to honoraria but may be paid overtime services
- » Shall not exceed the rates P3,000, P2,500 and P2,000 for BAC Chair, BAC members and TWG Chair and members, respectively
- » Not to exceed 25% of the BAS
- » Funds shall be sourced from collections from procurement activities and savings realized from the specific budget
- » In case of deficiency in collections and non-availability of savings, honoraria and overtime pay shall be adjusted proportionately for all those entitled

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# Honoraria - BAC Members

## Documentary requirements

- » Office Order
- » Minutes of BAC meetings
- » Attendance Sheet
- » Notice of Award
- » Certification that the procurement involves competitive bidding



# Honoraria - Special Projects

## Documentary requirements

- » Performance evaluation plan formulated by project management used as basis for rating the performance of members
- » Office Order
- » Terms of Reference
- » Certificate of Completion of project deliverables
- » Special Project Plan
- » Authority to Collect
- » Certificate of Acceptance of the deliverables

DBM and DOST Joint Cir. No. 1 dated May 28, 2013





# Overtime Pay

Payment for working in excess of the minimum total hours set for specified period

May be authorized where the work or activity has to be completed on a fixed date and the scheduled date of completion cannot be met within regular work days and hours or although no fixed date of completion, prolonged delay shall

- > Cause financial loss to the government
- > Embarrass the government for inability to meet commitments
- > Negate the purposes for which the work or activity was conceived

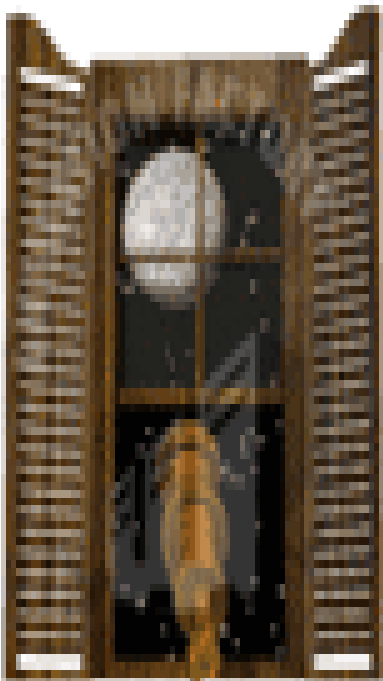
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# Overtime Pay

DBM BC No. 10 Mar. 29, 1996

- » Incumbents of positions of COD and below whose employment is in the nature of regular employee
- » Incumbents of positions of COD and below who are designated to a position in the CES
- » State the period within which overtime is to be performed
- » Shall not exceed 50% of basic salary
- » Shall not exceed 5% of the total appropriation for personal services
- » Compensation by the hour shall be based on MBS of the employee



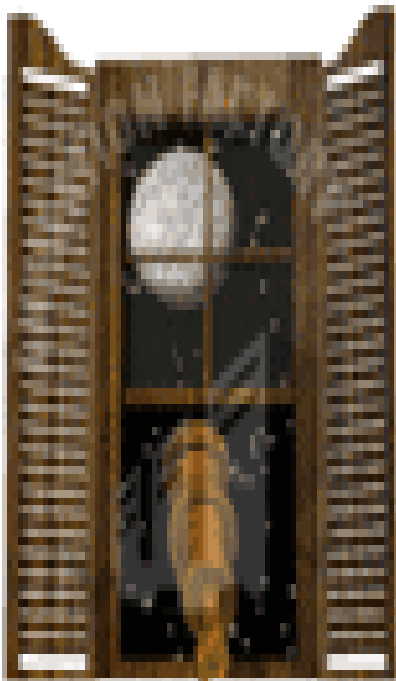
# Overtime Pay

## Documentary requirements:

(COA Circular No.2012-001 June 14, 2012)

- > Authority to render overtime stating the necessity and urgency of the work to be done, and the duration of overtime work
- > Overtime work program
- > Quantified overtime accomplishment report signed by the employee and the supervisor
- > Certificate of Service or DTR

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# Mid-year Bonus

Mid-year Bonus equivalent to one month basic salary

Section 57 of GAA 2017

- » at least or a total or an aggregate of four months of service from July 1 of the immediately preceding year to May 15 of the current year and who are still in the gov't service as of May 15 of the current year;
- » With a minimum satisfactory performance rating in the immediately preceding period

Budget Cir. No. 2016-3 dated April 28, 2016 > EO 201 s. 2016





# Mid-year Bonus

- 5.2 Those who have rendered a total or an aggregate of less than four (4) months of service from July 1 of the preceding year to May 15 of the current year, and those who are no longer in the service as of the latter date, shall not be entitled to the Mid-Year Bonus.
- 5.3 The Mid-Year Bonus of personnel hired on part-time service in one or more agencies shall be in direct proportion to the number of hours/days of part-time services rendered.
- 5.4 The Mid-Year Bonus of those on detail to another government agency shall be paid by the parent agency, while those on secondment shall be paid by the recipient agency.
- 5.5 The Mid-Year Bonus of personnel who transferred from one agency to another shall be paid by the new agency.
- 5.6 A compulsory retiree, whose services have been extended, may be granted Mid-Year Bonus, subject to the pertinent provisions of this Circular.



# Mid-year Bonus

- 5.7 Those who are formally charged administrative and/or criminal cases which are still pending for resolution, shall be entitled to Mid-Year Bonus until found guilty by final and executory judgment, provided that:
- 5.7.1 Those found guilty shall not be entitled to Mid-Year Bonus in the year of finality of the decision. The personnel shall refund the Mid-Year Bonus received for that year.
- 5.7.2 If the penalty imposed is only a reprimand, the personnel concerned shall be entitled to the Mid-Year Bonus.

Budget Cir. No. 2016-3 dated April 28, 2016 > EO 201 s. 2016

# Year-end Bonus & Cash Gift



**Year-end Bonus**  
equivalent to one  
month basic salary and  
**Cash Gift of P5,000**  
provided under RA  
6686, as amended by  
RA 8441

**Section 58 of GAA 2017**

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# Year-end Bonus & Cash Gift



- » at least a total of four months of service from January 1 to October 31 has been rendered, and who are still at the service by October 31 of the same year;
- » Those who have rendered at least or a total or an aggregate of four months of service from January 1 of the current year but who have retired or separated from gov't service before October 31 of the same year shall be granted within the month of retirement/separation a pro-rated share;
- » Personnel remains to be in the government service as of October 31 of the same year

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Section 58 of GAA 2017



# Year-end Bonus & Cash Gift



6.1 The Year-End Bonus equivalent to one (1) month basic pay as of October 31 and Cash Gift of P5,000 shall be given to entitled government personnel not earlier than November 15 of the current year, subject to the following conditions:

6.1.1 Personnel has rendered at least a total or an aggregate of four (4) months of service from January 1 to October 31 of the current year; and

6.1.2 Personnel remains to be in the government service as of October 31 of the same year.



# Year-end Bonus & Cash Gift



6.2 Those who have rendered at least a total of an aggregate of four (4) months of service from January 1 of the current year but who have retired or separated from government service before October 31 of the same year shall be granted within the month of retirement or separation, a prorated share of the:

a) Year-End Bonus based on the monthly basic pay immediately preceding the date of retirement or separation; and

b) b) Cash Gift of P5,000



# Year-end Bonus & Cash Gift



Budget Cir. No. 2016-4 dated April 28, 2016 > EO 201 s. 2016

Length of Service	% of the Year-End Bonus & Cash Gift
4 mos. But less than 5 mos.	50%
5 mos. But less than 6 mos.	60%
6 mos. But less than 7 mos.	70%
7 mos. But less than 8 mos.	80%
8 mos. But less than 9 mos.	90%
9 mos. But less than 10 mos.	95%

# Year-end Bonus & Cash Gift



6.3 Those who have rendered a total or an aggregate of less than four (4) months of service from January 1 to October 31 of the current year and are still in government service as of October 31 of the same year, shall be entitled solely to a pro-rated Cash Gift pursuant to Section 2 of RA No. 8441, as follows:

# Year-end Bonus & Cash Gift



<b>Length of Service</b>	<b>% of P5,000</b>	<b>% of the Year-End Bonus &amp; Cash Gift</b>
<b>3 mos. But less than 4 mos.</b>	<b>40%</b>	<b>P2,000</b>
<b>2 mos. But less than 3 mos.</b>	<b>30%</b>	<b>1,500</b>
<b>1 mo. But less than 2 mos.</b>	<b>20%</b>	<b>1,000</b>
<b>less than 1 mo.</b>	<b>10%</b>	<b>500</b>

Budget Cir. No. 2016-4 dated April 28, 2016 > EO 201 s. 2016

# Year-end Bonus & Cash Gift



- 6.4 personnel hired on part-time service in one or more agencies shall be in direct proportion to the number of hours/days of part-time services rendered.
- 6.5 personnel on detail with another government agency shall be paid by the parent agency, while those on secondment shall be paid by the recipient agency.
- 6.6 personnel transferred from one agency to another shall be paid by the new agency.
- 6.7 A compulsory retiree, whose services have been extended, may be granted Year-End Bonus and Cash Gift, subject to pertinent provisions of this Circular.



# Year-end Bonus & Cash Gift



6.8 Those who are formally charged administrative and/or criminal cases which are still pending for resolution, shall be entitled to YEB and CG until found guilty by final and executory judgment, provided that:

- ✓ Those found guilty shall not be entitled in the year of finality of the decision. The personnel shall refund the YEB and CG received for that year
- ✓ If the penalty is only a reprimand, the personnel shall be entitled to the YEB and CG

Budget Cir. No. 2016-4 dated April 28, 2016 > EO 201 s. 2016



# HOME DEVELOPMENT MUTUAL FUND (HDMF) Pag-IBIG

- Government share in premium contributions to the Fund

- ⑩ P1,500.00 and below - 1%
- ⑩ More than P1,500.00 - 2%
- ⑩ Employers counterpart - 2%

For purposes of computing Pag-IBIG contributions, maximum monthly compensation is pegged at P5,000.00 such that the member's and employer's counterpart are both P100



# PHILHEALTH

- Government share in premium contributions to the Fund (100% of the member's contribution)

<b>Salary Base</b>	<b>Premium</b>	<b>Member &amp; Employer</b>
<b>P8,000 &amp; below</b>	<b>200.00</b>	<b>100.00</b>
<b>P35,000 &amp; above</b>	<b>875.00</b>	<b>437.50</b>

# GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)

## Life Retirement and Retirement Insurance Contributions

- Government share in premium contributions to the life insurance and retirement funds of the GSIS, treated as part of the price of the services of the employees
  - 12% of the Monthly Compensation – all other employers

## Pension and Retirement Benefits

- Rewards and compensation for past services whether paid to the employee or his dependent

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# GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)

## MEMBERSHIP

- open to all government employees whether temporary, casual, permanent or contractual with employee-employer relationship

## CONTRIBUTION

Monthly Compensation	Percentage of Monthly Compensation Payable by:	
	Member	Employer
Regardless of amount	9.0 %	12%
<b>P18,548</b>	<b>P1,669.32</b>	<b>P2,225.76</b>

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# Longevity Pay or Length of Service Incentive

Given to employee who has rendered at least three years of continuous satisfactory service to a particular position and which shall consist of step increments

- > approved VL without pay for 15 days shall not interrupt the continuity of the three-year service
- > If in excess of 15 days, the grant of the step increment will be delayed for the same number of days that the employee was absent without pay

Joint Cir. No. 1, s. 2012 – CSC and DBM



# Longevity Pay or Length of Service Incentive

## Documentary Requirements

- > Service Record
- > Notice of Salary Adjustment
- > Certification issued by the Personnel Officer that the claimant has not incurred more than 15 days of vacation leave without pay



# Loyalty Award

Given to employee who has rendered at least ten years of continuous satisfactory service in the government

- Rule X, Section 7 (e) of the Omnibus Rules Implementing Book V of Executive Order No. 292



# Loyalty Award

## Rule X of the Omnibus Rules Implementing Book V of Executive Order No. 292

"Sec. 7. The incentive awards shall consist of, though not limited to, the following:

"(e) Loyalty Award which shall be granted to an employee who has completed at least ten (10) years of continuous and satisfactory service in the government. "



**"Sec. 28. Actual service defined.**  
- The term **'actual service'** refers to the period of continuous service since the appointment of the official or employee concerned, including the period or periods covered by any previously approved leave with pay.



- ❖ Leave of absence without pay for any reason other than illness **shall not be counted** as part of the actual service rendered
- ❖ In computing the length of service of an employee paid on the daily wage basis, Saturdays, Sundays or holidays occurring within a period of service **shall be considered as service** although he did not receive pay on those days inasmuch as his service was not then required
- ❖ A fraction of **one-fourth or more** but less than three-fourth shall be considered as **one-half day** and a fraction **of three-fourths or more** shall be counted as **one full day** for purposes of granting leave of absence



3. An official or employee who incurred an aggregate of **not more than 50 days** authorized vacation leave without pay within the 10-year period shall be considered as having rendered continuous service for purposes of granting the loyalty award

In the same way, an official or employee who incurred an aggregate of **not more than 25 days** authorized vacation leave without pay within the 5-year period may qualify for the 5-year milestone loyalty award



4. Effective January 1, 2002, continuous and satisfactory services in government for purposes of granting loyalty award shall include services in one or more government agencies without any gap.

"Services rendered in other government agencies prior to January 1, 2002 shall not be considered for purposes of granting the loyalty award.



5. The awardee shall receive a loyalty memorabilia/souvenir as follows:
  - 10 and 15 years - bronze service pin
  - 20 and 25 years - silver service ring
  - 30, 35 & 40 years - gold service medallionor other memorabilia/souvenir as may be provided in the agency PRAISE
  
6. In addition to the loyalty memorabilia/souvenir, a cash gift which shall not be less than Php500.00 but not more than Php1,000.00 for every year of service shall be given to qualified officials or employees



# Loyalty Cash Award

- **Service Record**
- **Certificate of non-payment from previous office, if transferee**
- **Certification that the claimant has not incurred authorized vacation leave without pay of more than 50 days within the 10-year or 25 days within the 5-year period, as the case may be**



# Monetization of Leave Credits

- » Allowed to career and non-career whether permanent, temporary, casual or co-terminous who has accumulated 15 days of VL credits
- » Minimum of ten days allowed provided five days is retained after monetization
- » Maximum of 30 days may be monetized in a given year
- » 50% or more may be allowed for valid and justifiable reasons subject to discretion of the agency head and availability of funds



**CSC MC No. 02 s. 2016 dated 12 January 2016**



# Monetization of Leave Credits

- » Health, medical and hospital needs of the employee and immediate family members
- » Financial aid and assistance brought about by force majeure events
- » Educational needs of the employee and immediate family members
- » Payment of mortgages and loans which were entered into for the benefit or which inured to the benefit of the employee/immediate family
- » Extreme financial need of employee or immediate family members where the present sources of income are not enough to fulfill basic needs
- » Other analogous cases as maybe determined by the CSC



# Monetization of Leave Credits

- » If not availed of, included in accumulated leave credits
- » Can still go on five days Forced Leave
- » Charged against the savings of the agency
- » Positions below salary grade 19 shall be given preference in the availment



# Monetization of Leave Credits

## Forfeiture of leave credits

- » If separated by virtue of court conviction
- » If upon termination of administrative case filed against him is considered as voluntary separated
- » Upon reaching compulsory retirement age of 65 but whose services has been extended by the CSC for another six months, no longer earn leave credits



# LEAVE MONETIZATION



**CSC MC No. 02 s. 2016 dated 12 January 2016**

$$\begin{aligned} &\text{Monthly salary} \times \text{No. of days} \times \text{CF}*(.0481927) \\ &\qquad\qquad\qquad \text{to be monetized} \\ &= \text{Money value of monetized leave} \end{aligned}$$

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$$\frac{* \text{ 12 mos./yr.}}{116^{**}} + \frac{12}{249^{***}} = .0481927$$

$$***(365 - 116 = 249)$$

$$** 365 \text{ days/yr.} - (104 \text{ Sat/Sun} + 12 \text{ legal holidays [RA 9849]})$$

# Leave Monetization



## Documentary requirements

- Approved leave application with leave credit balances certified by the HRMO
- Letter-request for leave monetization (if more than 30 days)
- For 50% or more (additional requirements)
  - Clinical abstract/medical procedures in case of health, medical and hospital needs
  - Barangay certification in case of need for financial assistance brought about by calamities



# Retirement Gratuity and Terminal Leave Benefits

## Section 59. GAA of 2017



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# Retirement Gratuity

## » Entitlement

- > Has rendered at least 15 years of service
- > At least 60 years of age at time of retirement
- > Not receiving monthly pension benefit for permanent total disability



# Retirement Gratuity

- » Appropriations authorized in the *GAA* are released directly to the agencies computed based on the provisions of the applicable retirement LRRs
  - > Lump sum equivalent to 60 months of the BMP payable at the time of retirement plus old-age benefit equal to the BMP payable for life, starting upon the expiration of the 5-year lump sum payment
  - > Cash payment equivalent to 18 months of BMP plus monthly pension for life payable immediately



# Retirement Gratuity

## Documentary Requirements

- ✓ Updated Service Record
- ✓ Retirement application
- ✓ Office Clearance from money/property accountability
- ✓ Statement of Assets and Liabilities
- ✓ Retirement Gratuity Computation
- ✓ Affidavit of undertaking for authority to deduct accountabilities
- ✓ Affidavit of applicant that there is no pending criminal investigation or prosecution against him



# Retirement Gratuity

## In case of death of employee

- ✓ Death Certificate
- ✓ Marriage Contract
- ✓ Birth Certificates of all surviving heirs
- ✓ Designation of next-of-kin
- ✓ Waiver of rights of children 18 years old and above





# Retirement Gratuity

- » Clearance of no pending administrative case from the agency, CSC and the Office of the Ombudsman is no longer required
- » The HRMO should submit the names of retirees to the CSC and OMB for verification of pendency of cases within 1 month or 30 days after the official or employee has submitted the written expression of intent to retire

**(CSC issuance dated 3 October 2013)**



# Terminal Leave Benefit

Payment for the money value of the total accumulated leave credits of an employee based on the highest salary rate received prior to, or upon retirement date/voluntary separation



# Terminal Leave Benefit

- » Application for commutation of leave credits shall be approved by the Head of Office
- » Commutation of leave credits is without limitation and regardless of the period when the credits were earned
- » Request for payment of terminal leave benefits must be brought **within ten years** from the time the right of action accrues upon an obligation created by law
- » Based on highest salary received at any time during period of employment

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# Terminal Leave Benefit

- » Approved Application for Leave
- » Certified photocopy of employees leave card as at last date of service duly audited by the Personnel Division and COA/Certificate of leave credits issued by the Admin/HRMO
- » Complete Service Record
- » Certified photocopy of appointment/NOSA showing the highest salary received
- » Computation of terminal leave benefits duly signed/certified by the accountant
- » Affidavit to deduct all financial obligations with the employer
- » Affidavit that applicant has no pending criminal investigation or prosecution against him
- » Statement of Assets, Liabilities and Networth
- » If resignation, letter of resignation duly accepted by the HOA
- » Clearance from money, property and legal accountability

# Terminal Leave Benefit

- » Add'l requirements in case of Death of claimant
  - > Death Certificate
  - > Marriage Contract
  - > Birth Certificate of all surviving legal heirs
  - > Designation of next-of-kin
  - > Waiver of rights of children 18 years and above





# Collective Negotiation Agreement Incentive

- » There is a valid CAN executed between the agency and the recognized employee organization which includes a provision on cost-cutting measures to be undertaken by the agency and its personnel;
- » The one-time annual payment of CNA incentive shall be made through a written resolution signed by agency representatives from both labor and management, and approved by the agency head;
- » The CNA incentive that may be granted shall be limited to the amount determined by the DBM and excess amounts therefrom after payment of the CNA incentive shall revert to the General Fund

