

**EXECUTIVE ORDER NO.** 113  
*Series of 2020*

**GUIDELINES ON THE GRANT OF PERFORMANCE-BASED BONUS**

As part of the Bank's compliance with the rules and regulations governing the grant of Performance Based-Bonus (PBB) per Governance Commission for GOCCs (GCG) Memorandum Circular No. 2019-02 – *Interim PBB*, the following guidelines are hereby issued.

**A. COVERAGE**

These guidelines shall cover the criteria/mechanics for the application of PBB and in the grant and distribution of PBB to eligible employees.

**B. GENERAL GUIDELINES**

1. Application for the grant of PBB shall be submitted to the GCG upon receipt of the GCG-validated scorecard, provided that the Bank's weighted-average score in the Performance Scorecard is at least 90%.
2. Eligibility to Grant the PBB
  - a. Achieve a weighted-average score of at least 90% of Performance Scorecard.
  - b. Satisfy 100% of the Good Governance Conditions (GGCs) as follows:
    - 1) Conditions Common to National Government Agencies and GOCCs as stated in the applicable AO 25 IATF PBB Circular; and
    - 2) Conditions Specific to GOCCs:
      - a) Has satisfied all statutory liabilities, including:
        - 1} payment of all taxes due to the Government as certified/validated by the Bureau of Internal Revenue;
        - 2} 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);
        - 3} payment of NG Advances as certified/validated by the DOF; and
        - 4} remittance of mandatory contributions as certified/validated by the following agencies: GSIS, Pag-IBIG, and PhilHealth.

## CLASS D

- b) Maintain/update and implement the GOCC's Manual of Corporate Governance" and "No Gift Policy" approved by the GCG and uploaded on the GOCC's website pursuant to the "Code of Corporate Governance for GOCCs" and amendments thereto;
  - c) Compliance with all the requirements mentioned in the "Revised Whistleblowing Policy for the GOCC Sector" and amendments thereto;
  - d) Compliance with the Executive Order on Freedom of Information: Executive Order No. 2, s. 2016; and
  - e) Compliance with posting on the GOCC's website the information enumerated under Section 43 of "Code of Corporate Governance for GOCCs" and amendments thereto.
- 3) Non-compliance with any of the GGCs will render LBP ineligible for the PBB.
- c. Other Conditions and Requirements (OCRs):
- 1) Maintain and/or attain certification on the GOCCs Quality Management System (QMS);
  - 2) Timely submission of Annual Procurement Plan (APP) pursuant to applicable rules and regulations;
  - 3) Timely submission of Corporate Operating Budget (COB) to the Department of Budget and Management (DBM);
  - 4) Implementation of the prior year's audit recommendations, submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it was received from the COA, all written communications between the GOCC and COA on such matters, which shall include, but not limited to, the concrete and time bound action plans for addressing the audit observations and notices of disallowances;
  - 5) Compliance and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to the policies and guidelines under "Policies and Guidelines on the Integrated Corporate Reporting System (ICRS) for the GOCC Sector and amendments thereto; and
  - 6) Compliance by all members 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.

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- d. Officials and employees responsible for the compliance and implementation of the OCRs shall not be entitled to the PBB for the applicable year if the Bank fails to comply with any of these requirements.

The list of requirements and Units responsible for its compliance is presented in **Annex A**.

- 3. The grant of the PBB shall be based on the overall Bank performance and release to eligible employees shall be made only upon receipt of the authorization letter from GCG.

- 4. Eligibility Criteria for Employees

- a. Regular employee (whether permanent, temporary or co-terminus status) shall be entitled to PBB, provided the following criteria are met during the applicable year:

- 1) Rendered at least three (3) months of actual service; and
- 2) With rating of at least “Satisfactory” based on the Bank’s Strategic Performance Management System (SPMS).

- b. Personnel on detail to another government agency for at least six (6) months shall be rated and included in the ranking of employees in the recipient agency. Payment of the PBB shall come from the mother agency of the detailed personnel.

- c. Personnel who transferred from one government agency to another government agency shall be rated and ranked by the agency where he/she served the longest, otherwise, by the recipient agency.

- 5. Distribution System

- a. All personnel shall be ranked on a percentile basis within their respective level/category as follows:

<b>Level/Category</b>	<b>Pay Grade</b>
Senior Management	PG 14 and up
Middle Management	PG 10 to PG 13
Professional and Supervisory	PG 5 to PG 9
Clerical/General Staff	PG 2 to PG 4

- b. Review/assessment of performance shall pass through the Performance Calibration Team following the existing guidelines on SPMS.

- c. In cases of appointment/promotion to a higher level during the applicable year which may result to change in ranking category (e.g., PG 9 to PG 10), the employee shall be ranked where he/she served longer or to his/her recent category, in case of equal duration.

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- d. The distribution of PBB shall be based on the performance of individual employee with the rate of incentive as a multiple of the individual's monthly basic salary as of end of applicable year based on the table below, but not lower than PHP 5,000:

Percentile	PBB as % of MBS
<b>Top:</b> Maximum 10%	65.0%
<b>Next:</b> Maximum 25%	57.5%
<b>Remaining:</b> Minimum 65%	50.0%

- e. Eligible employees shall be entitled to PBB based on the length of actual service, as follows:


Length of Service	% of PBB
At least 9 months	100%
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%

6. Excluded from the grant of PBB are the employees:

- a. With performance rating of "Unsatisfactory" or "Poor"
- b. Who are on vacation or sick leave for the entire year, with or without pay
- c. Who failed to submit, on time, their Statement of Assets, Liabilities, and Net Worth (SALN) as prescribed under CSC rules; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN
- d. Who failed to liquidate all Cash Advances received in the applicable year within the reglementary period, as stated in relevant and prevailing COA Circulars
- e. Who failed to submit complete SPMS Forms or its equivalent
- f. Who are found guilty of administrative and/or criminal cases in the applicable year by formal and executory judgment, except when the penalty meted out is only a reprimand

## C. EFFECTIVITY

This Order shall be applicable in the grant of PBB for PY 2019 and years thereafter.

  
**CECILIA C. BORROMEO**  
*President and CEO*

Date: October 01, 2020  
/PAD/SMD

**LIST OF REQUIREMENTS AND UNITS RESPONSIBLE**

Forms	Requirement	Deadline of Submission to GCG/Posting in Transparency	Department/ Group Concerned
PBB Form 1 (Board Resolution)	Board Resolution on the following items: <ul style="list-style-type: none"> <li>• Percentage attainment of targets in Performance Agreement</li> <li>• Compliance to Good Governance Conditions</li> <li>• Application for Authorization from GCG to grant PBB including amount allocated</li> </ul>		
PBB Form 2 (Omnibus Certification)	Omnibus Certification in compliance to: <ul style="list-style-type: none"> <li>• Payment in full of all statutory liabilities</li> <li>• Implement the Manual of Corporate Governance and No Gift Policy</li> <li>• Revised Whistleblowing Policy for the GOCC Sector</li> <li>• EO 2, s. 2016 - Freedom of Information</li> <li>• Uploading on official website of disclosure requirements enumerated under Section 43 of GCG MC 2012-07</li> <li>• Other Conditions and Requirements:               <ul style="list-style-type: none"> <li>- GOCCs Quality Management System</li> <li>- Annual Procurement Plan</li> <li>- Corporate Operating Budget</li> <li>- Implementation of prior year's audit recommendations, submission to GCG of audit observations &amp; notice of disallowances within 7 days from the time received from COA, concrete and time bound action plan for addressing the observations and allowances</li> <li>- Submission of reports using the web forms in the Integrated Corporate Reporting Systems (ICRS)</li> <li>- Submission of all required forms for the Director Performance Review (DPR)</li> </ul> </li> </ul>	For submission to GCG within 1 year from receipt of GCG validated Performance Scorecard	HRMG/PAD
PBB Forms 3A and 3B	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 Satisfactory category		
Certifications	Payment of all statutory liabilities: <ol style="list-style-type: none"> <li>1. Tax clearance from BIR</li> <li>2. Certification/validation from DOF on the payment of dividends and NG advances</li> <li>3. Certification/validation from GSIS/SSS, Pag-IBIG, and PhilHealth</li> </ol>		

# CLASS D

Requirement	Department/ Group Concerned
<b><u>Good Governance Conditions common to NGA and GOCCs as stated in IATF PBB Circular</u></b>	
1. Set up Most Current and Updated Citizen's or Service Charter – submit the Certificate of Compliance (CoC) to the ARTA	SKMG; SMD
2. Citizen/Client Satisfaction Survey	CAD
3. Sustained Compliance with Audit Findings	CMG/RCD
4. Screenshot of Agency's Website's home page containing a visible and functional FOI logo linked to the electronic FOI portal	CAD
5. Results of FY 2019 APCPI System	ProcD
7. Certificate of PhilGEPS posting (2020)	ProcD
8. Transparency Seal (Pursuant to Section 106 of the General Provisions of the 2019 GAA) <i>*Maintenance/Updating of Transparency Seal as posted in the Bank's website is handled by Corporate Affairs Department (CAD)</i>	
Agency's mandate and functions	SKMG
Names of its Officials with their position and designation, and contact information	OCS
Annual Financial Reports	
1. 2016-2020 Annual Report (Balance Sheet, Income Statement, Trial Balance)	CAD; CG/FAD/AAD
2. 2020 Financial Statements (COA Audited Financial Statement)	
DBM Approved Budget and Corresponding Targets for FY 2020	
1. Budget for FY 2020	CG
2. Corresponding Targets (Performance Scorecard and Strategy Map)	SKMG/CPSMD
Projects, Programs and Activities, Beneficiaries, and Status of Implementation for FY 2020	SKMG/CPSMD
1. Projects/Programs 2020	
2. Beneficiaries 2020	
3. Status of Implementation 2020	
Annual Procurement Plan	
1. FY 2020 APP non-CSE	FPSG/ProcD
2. Indicative FY 2021 APP non-CSE	FPSG/ProcD
3. Early Procurement of FY 2021 APP for CSE	FPSG/ProcD
QMS Certification of at least 1 core process by any of the certification bodies	SKMG/QIMD
System of Ranking Delivery Units for FY 2020 PBB	HRMG/PAD
Agency Review and Compliance Procedure of Statements and Financial Disclosures	HRMG/PAD
Comply with Freedom of Information Program	
1. Updated People's FOI Manual	CAD
2. FOI Reports (Inventory/Registry/summary)	
<b><u>Good Governance Conditions specific to GOCCs covered by RA 10149</u></b>	
Satisfied All Statutory Liabilities	
1. Payment of all taxes due to the Government as certified/validated by the Bureau of Internal Revenue	CG/FAD
2. Declaration and payment of all dividends to the State as of the end of applicable calendar year, whenever applicable, as certified/validated by the DOF	SKMG/CPSMD

# CLASS D

Requirement	Department/ Group Concerned
3. Payment of NG advances as certified/validated by the DOF	CG/AAD
4. Certification of full payment/remittance secured from: a. GSIS b. PhilHealth c. Pag-IBIG	CG/AAD
Submission of concrete and time-bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda	CMG/RCD
No Gift Policy	HRMG/ERD
Manual of Corporate Governance	OCS
Integrated Corporate Reporting System (ICRS)	
1. GOCC Monitoring System Report	SKMG
2. GOCC Leadership Management System Semi-annual Report	CG
Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review pursuant to Performance Evaluation for Directors	OCS
Revised Whistleblowing Policy	HRMG/ERD
<b><u>Mandatory Disclosure on Website (Sec. 43 of GCG MC 2012-07)</u></b>	
For chartered GOCCs, the latest version of its Charter	SKMG; CAD
List of subsidiaries and affiliates	SKMG; CAD
Government Corporate Information Sheet (GCIS) as mandated by the GCG MC No. 2012-01	OCS
Complete list of Directors and Officers with attached resume and membership in Board Committees	OCS
Complete compensation package, including travel, representation, transportation and other forms of expense or allowances	OCS
Information on Board Committees and their activities	OCS
Attendance Record of Directors in Board and Committee meetings	OCS
Latest annual Audited Financial and Performance Report within thirty 30 days from receipt of such Report	CG/FAD; CAD
Audited Financial Statements in the immediate past three years	CMG/RCD; CG/FAD; CAD
Quarterly, and Annual Report and Trial Balance	CG/FAD
Current Corporate Operating Budget	CG/AAD
Local and Foreign Borrowings	CG/TOD
Government subsidies and net lending	CG/AAD/FAD
All borrowings guaranteed by the Government	CG/TOD
Any material risk factors and measures taken to manage such risks	RMG
Utilization of funds for UCT/TRCT Program	CCT-PMD
Performance Evaluation System	SKMG
Charter Statement/Mission-Vision Statement	SKMG
Performance Scorecards and Strategy Map	SKMG/CPSMD
Organizational Chart	HRMG/PAD
CSR Statement	SKMG/CAD
Balance Scorecard	SKMG/CPSMD
Safe Spaces Act	HRMG/ERD