



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila

LEGAL OPINION NO. L-C-2001-07

SUBJECT : Local Government Compensation -- Year-End Benefits

ISSUE : Whether or not a coterminus employee whose employment ended on 30 June 2001 is entitled to receive the "mid-year bonus" or more particularly, one-half of the year-end benefits (YEB) for FY 2001.

FACTS : Mr. Elpidio C. Sumod-Ong of Tandag, Surigao del Sur was appointed as Local Legislative Officer (LLO) V, a coterminus position in the Office of the Vice Governor in Tandag, Surigao del Sur. He has served as such from September 1, 2000 up to June 30, 2001. In view of his employment from January 1 to June 30, 2001, clarification is being sought if he is entitled to the mid-year bonus for FY 2001.

OPINION : Mr. Sumod-Ong is not entitled to the one-half of the YEB.

The grant of such benefit only covers government personnel who are still in the service as of October 31 of the applicable calendar year. Paragraph 2.1 of Budget Circular (BC) No. 2000-18 dated 06 September 2000 provides the following:

"2.1 All government personnel, whether appointive or elective, under regular, temporary or casual status, and contractual personnel whose employment is in the nature of a regular employee who are in the following instances from January 1 to April 30 or from July to October 31 of each year and shall still be or are still in the service, respectively, as of October 31 of the same year:

2.1.1 those who have rendered at least a total of four (4) months of service including leaves of

(4) months of service including leaves of absence with pay;

2.1.2 those who are on approved leave without pay but have rendered at least a total of four (4) months of service provided they are not yet dropped from the rolls; and

2.1.3 those who have rendered less than four (4) months of service. "(underscoring supplied)

This rule is based on the requirement of Republic Act (R.A.) No. 6686 (An Act Authorizing Annual Christmas Bonus to National and Local Government Officials and Employees Starting CY 1988), as amended by R.A. No. 8441 (An Act Increasing the Cash Gift to Five Thousand Pesos (P5,000.00), Amending for the Purpose Republic Act No. 6686, and For Other Purposes), to wit:

"Section 1. All officials and employees of the National Government who have rendered at least four months of service from January 1 to October 31 of each year and who are employed in the government service as of October 31 of the same year shall each receive a Christmas bonus equivalent to one month basic salary and additional cash gift of Five Thousand Pesos (P5,000.00) x x x." (Underscoring supplied)

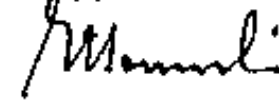
In the instant case, Mr. Sumod-Ong's government service ended on June 30, 2001, that is, short of the requirement that he should still be in the service as of October 31 of the applicable calendar year, hence, he is no longer entitled to the FY 2001 YEB, or even a half thereof.

REFERENCE: Memorandum of the Secretary dated 28 November 2001 to DBM-CARAGA

Recommended:


JANET B. ABUEL
Director, LLS

Approved:


EMILIA T. BONCODIN
Secretary