



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila

LEGAL OPINION NO. L-C-2002-02

- SUBJECT :** Local Government Compensation
- ISSUE :** Whether a retiring government employee is entitled to the advance payment of one-half (1/2) bonus and cash gift for CY 2002 pursuant to Republic Act (R.A.) No. 6686 as amended by R.A. No. 8441 and implemented by Budget Circular (BC) No. 2000-18 dated 06 September 2000.
- FACTS :** Mr. Vicente C. Pastrullo is due to retire on 03 June 2002. Hence, he was no longer included in the payroll for the grant of the 1/2 bonus and cash gift prepared by the province.
- OPINION :** The following twin requisites must be complied before a government employee can be entitled to the 1/2 bonus and cash gift otherwise known as year-end benefits:
- 1) the official or employee must have rendered at least four (4) months of service from January 1 to October 31 of each year; and
 - 2) the official or employee must be employed and still in the government service as of October 31 of the same year.

Section 1 of 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 provides:

"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 receive a Christmas bonus equivalent to one month basic salary and additional cash gift of One thousand pesos (P1,000.00)." (underscoring supplied)

The above-quoted provision is implemented by B.C. No. 2000-18, the pertinent provisions of which, reads:

"3.0 EXEMPTIONS

All government personnel under the following instances as of October 31 of each year shall not be entitled to the benefits authorized herein:

x x x

x x x

3.2 those who are no longer in the service due to retirement/resignation/separation/death or for whatever reasons; and

x x x

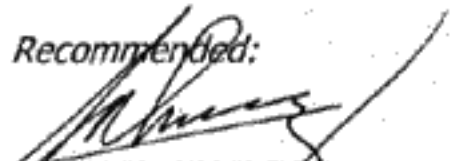
x x x."

(underscoring supplied)

Mr. Pastrullo failed to comply with the second requisite, hence, he is no longer entitled to the 1/2 bonus and cash gift.

REFERENCE : Letter dated 04 July 2002 of Undersecretary Cynthia G. Castel to Mr. Vicente C. Pastrullo.

Recommended:


RUBY U. ALVAREZ
Director, LLS

Approved:


EMILIA T. BONCODIN
Secretary