



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila

LEGAL OPINION NO. N-C-2001-04

SUBJECT : National Government Compensation

ISSUE : Whether or not Mr. Rene A. Avendanio is entitled to FY 2000 Year-End Bonus and Cash Gift.

FACTS : Mr. Avendanio has been in the government service since October 17, 1977 up to June 09, 2000 when he retired under the Early Retirement Incentive Package (ERIP) of the Philippine Crop Insurance Corporation. On September 22, 2000, he was appointed as Local Treasury Operations Officer IV of the City Treasurer's Office, Iligan City.

OPINION : Mr. Avendanio is not entitled to the FY 2000 Year-End Bonus. However, he shall be entitled to a pro rata cash gift corresponding to the length of service he has rendered from the time of his reemployment.

The reckoning of the service requirement of Mr. Avendanio shall only be upon his reemployment with the government. It should be noted that upon retirement, his government service was severed and he ceased to be an employee of the government. On the other hand, in case of reemployment, he shall be considered as a new entrant. Accordingly, he is not entitled to the FY 2000 Year-End Bonus but only to a pro rata cash gift corresponding to the length of service he has rendered from the time of his reemployment.

Budget Circular 2000-18 dated September 6, 2000 (Grant of Year-end Bonus and Cash Gift and Advance Payment of One-Half Thereof for FY 2000 and Years Thereafter) expressly provides as follows:

"2.0 Coverage

2.1 All government personnel, whether appointive or

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 under the following instances from January 1 to October 31 of each year and are still in the service as of October 31, of the same year:

xxx xxx

2.1.3 Those who have rendered less than four (4) months of service."

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: xxx.

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

xxx xxx.

4.11 Government personnel who have rendered less than four (4) months of service as of October 31 of the same year as covered under Item 2.1.3 hereof shall be entitled solely to cash gift pro-rated as follows:

Length of Service	Percentage
xxx 1 month but less than 2 months	xxx 20%
xxx (Underscoring ours)	xxx."

REFERENCE: Memorandum of the Secretary dated 13 September 2001 to RO XII

Recommended:

Approved:



JANET B. ABUEL
Director, LLS



EMILIA T. BONCODIN
Secretary