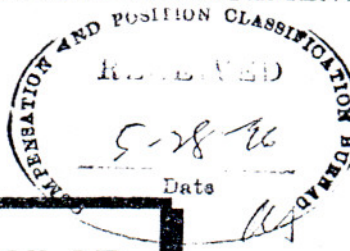




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACANANG, MANILA



NATIONAL BUDGET CIRCULAR

NO. 452
May 20, 1996

TO : HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF THE NATIONAL GOVERNMENT; STATE COLLEGES AND UNIVERSITIES; GOVERNMENT-OWNED AND -CONTROLLED CORPORATIONS; GOVERNMENT FINANCIAL INSTITUTIONS; AND ALL OTHERS CONCERNED

SUBJECT : Amplifying and Clarifying the Implementation of the Grant of Anniversary Bonus to Officials and Employees of Government Entities

1. Purpose

This Circular is issued to amplify and clarify the implementation of the grant of Anniversary Bonus to officials and employees of government entities as authorized under Administrative Order No. 263 dated March 28, 1996.

2. The exemption on the grant of Anniversary Bonus as provided under Administrative Order No. 263 is hereby expanded to include government personnel under the following circumstances:

- 2.1 Those who are on absence without leave (AWOL) as of the date of the milestone year for which the Anniversary Bonus is being paid;
- 2.2 Those who are no longer in the service in the same government entity as of the date of the milestone year;
- 2.3 Those who are not hired as part of the organic manpower of government entities but as consultants or experts for a limited period to perform specific activities or services with expected outputs; student laborers; apprentices; laborers of contracted projects; mail contractors, including those paid by piecework basis; and others similarly situated.

3. The following are additional rules and regulations relative to the grant of Anniversary Bonus:



"Tulong-tulong sa pagsulong!"

- 3.1 Officials and employees may be granted Anniversary Bonus only if the government entity where they are employed has been in existence for at least fifteen (15) years and has not yet granted any Anniversary Bonus as of FY 1996, and have rendered at least one (1) year service in the same government entity as of the date of the milestone year. (See Illustrative Example 1, Annex A)
- 3.2 The counting of milestone years shall start from the year the government entity was created regardless of whether it was subsequently renamed/reorganized provided that its original primary functions have not substantially changed. Otherwise, the counting shall start from the date the functions were substantially changed.
- 3.3 The counting of the milestone years of merged government entities shall start from the date they were merged.
- 3.4 The initial grant of Anniversary Bonus in 1996 shall be for the latest milestone only, regardless of whether the government entity has existed for 30, 35, 50, or 60 or more years. There shall be no retroactive payment of milestone years.
- 3.5 A government entity which is now, for example, on its 18th anniversary but has not granted any Anniversary Bonus may grant the same for its 15th milestone year in FY 1996. Two years hence, or in FY 1998, Anniversary Bonus for the next milestone year - the 20th anniversary - may be granted.
- 3.6 An official or employee of a government entity in the example in 3.5 above, who was hired after the government entity's 15th milestone year shall not qualify to receive the Anniversary Bonus in FY 1996, but only to the Anniversary Bonus that will be granted in FY 1998. (See Illustrative Example 2, Annex A)
- 3.7 Officials and employees in government entities attached to or are placed directly under a department/department level government entity and whose creation is not through charter may be considered as organic personnel of the mother department for purposes of availment of the Anniversary Bonus due the officials and employees of the department.
- 3.8 A government entity which attained its latest milestone year in FY 1996 and has granted Anniversary Bonus that is less than P3,000 per official and employee prior to the issuance of Administrative Order No. 263 may grant the difference between the actual amount granted and P3,000. Where the amount granted is more than P3,000, the excess amount shall be refunded.

4. **Funding Source**

The cost to implement the Anniversary Bonus shall be solely charged from savings from released allotment for Current Operating Expenses (COE) without the need for prior authority from the Department of Budget and Management, provided that all authorized mandatory expenses shall have been paid first. Requests for augmentation of such savings shall not be allowed.

5. **Responsibility of the Head of Entity**

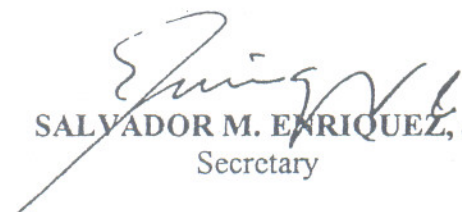
The head of entity shall be held responsible and personally liable for any payment of Anniversary Bonus not in accordance with the provisions of Administrative Order No. 263 and this Circular without prejudice, however, to refund of any excess payment by the official or employee concerned.

6. **Saving Clause**

Appropriate cases not covered by the provisions of this Circular shall be submitted to the Secretary of Budget and Management for appropriate resolution.

7. **Effectivity**

This Circular shall take effect immediately.


SALVADOR M. ENRIQUEZ, JR.
Secretary

Annex "A"

1. A government entity celebrated its first milestone year - the 15th - on June 24, 1995 but has not granted any AB as of FY 1996 or prior to the effectivity of AO 263. It may grant AB to its officials and employees for the said milestone year in FY 1996 subject to the rules and regulations provided under AO 263.
 - 1.1 Employee A who was hired effective May 15, 1994 shall be entitled to the AB since he satisfies the one (1) year service requirement.
 - 1.2 Employee B who was hired effective January 1, 1995 shall not be entitled to the same benefit since he does not satisfy the one (1) year service requirement.
 - 1.3 Employee C who transferred to another government entity as of the date of the milestone year of his former government entity shall no longer be entitled to the AB granted therefor. He shall only be entitled to AB during the milestone year of his new government entity provided he satisfies the one (1) year service requirement in his new office.
 - 1.4 Employee D who was granted AB transferred effective August 1, 1995 to another government entity which will be celebrating its milestone year on September 15, 1996. He shall not be entitled to the AB that will be granted by his new government entity on its milestone year on September 15, 1996 but only to the AB that will be granted on September 15, 2001.
2. A government entity celebrated its 18th anniversary on March 15, 1996 but has not granted any AB as of FY 1996 or prior to the effectivity of AO 263. It may grant AB in FY 1996 to its officials and employees for its first milestone year - the 15th anniversary - on March 15, 1993. However, Employee E who was hired after the date of the said milestone year shall not qualify to receive AB in FY 1996 but only to the AB that will be granted for the 2nd milestone year - the 20th anniversary - on March 15, 1998, of the government entity.