



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



BUDGET CIRCULAR

No.: 2019 - 4
July 5, 2019

To : All Heads of Departments, Agencies, State Universities and Colleges (SUCs) and other Offices of the National Government, including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG); Government-Owned or -Controlled Corporations (GOCCs); Heads of Local Government Units (LGUs); and All Others Concerned

Subject : **CLARIFICATION ON THE GRANT OF MID-YEAR BONUS TO GOVERNMENT EMPLOYEES ON SCHOLARSHIP**

1.0 Background

Section 4 of Executive Order (EO) No. 201, s. 2016¹ provides for the grant of a Mid-Year Bonus equivalent to one (1) month basic salary as of May 15 to those who have rendered at least four (4) months of satisfactory service and are still in the service as of same date, to be given not earlier than May 15 of every year.

Section 16 of the same EO authorized the Department of Budget and Management (DBM) to issue the guidelines necessary to implement the provisions of the EO.

Pursuant thereto, DBM issued Budget Circular (BC) No. 2016-3² and BC No. 2017-2³ to prescribe the rules and regulations on the grant of the annual Mid-Year Bonus. Under these Circulars, the basic conditions on the grant of Mid-Year Bonus are as follows:

- a) Personnel has rendered at least a total or an aggregate of four (4) months of service from July 1 of the immediately preceding year to May 15 of the current year;
- b) Personnel remains to be in the government service as of May 15 of the current year; and

¹ Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel dated February 19, 2016

² Rules and Regulations on the Grant of the Mid-Year Bonus for FY 2016 dated April 28, 2016

³ Rules and Regulations on the Grant of the Mid-Year Bonus for FY 2017 and Years Thereafter dated May 8, 2017

- c) Personnel has obtained at least a satisfactory performance rating in the immediately preceding rating period, or the applicable performance appraisal period.

However, there is a need to clarify the guidelines on the grant of the Mid-Year Bonus to personnel who are on full-time scholarship.

2.0 Purpose

This Circular is issued to clarify the guidelines on the grant of the Mid-Year Bonus to personnel who are on authorized attendance in a scholarship grant or program.

3.0 Coverage

This Circular shall apply to personnel who are on authorized full-time attendance in a scholarship grant or program on official time, wherein the fees and expenses for the grant/program are sponsored by the government or a partner donor institution, and whereby said personnel are allowed temporary release from their official duties and responsibilities for the period of the scholarship, with continued payment of authorized salaries and allowances for the duration of the program.

4.0 Guidelines

Officials and employees who are on authorized attendance in a scholarship grant or program on official time may be given the Mid-Year Bonus, subject to the following guidelines:

- 4.1 The scholarship grant is part of the human resource development program of the agency and is aimed at directly enhancing the capability of the official/employee to perform the duties and responsibilities of his/her position and contribute to the achievement of the agency's performance objectives.
- 4.2 A scholar who has rendered at least four (4) months of actual performance of duties with at least a satisfactory rating for the period of July 1 of the immediately preceding year to May 15 of the current year, and is still in the service as of May 15 of the current year may be entitled to the Mid-Year Bonus. Actual performance of duties means that the employee is reporting for work and actually delivering the services required of his/her position.
- 4.3 A scholar with less than four (4) months of actual performance of duties for the period of July 1 of the immediately preceding year to May 15 of the current year, and is still in the service as of May 15 of the current year may be entitled to the Mid-Year Bonus, subject to the successful completion of the course program and fulfillment of the conditions stipulated in the scholarship contract.

- 4.4 A scholar with less than four (4) months of actual performance of duties for the period of July 1 of the immediately preceding year to May 15 of the current year, and who was not able to successfully complete the course program or failed to fulfill all the conditions stipulated in the scholarship contract, shall not be entitled to the Mid-Year Bonus.
- 4.5 The grant of the Mid-Year Bonus to qualified scholars shall be subject to the rules and regulations stipulated in BC No. 2016-3 or BC No. 2017-2, as applicable.
- 4.6 The payment of the FY 2019 Mid-Year Bonus to qualified scholars shall be without prejudice to the refund thereof by the scholars concerned should they fail to complete the course program or abide by the terms of the scholarship contract.

5.0 Fund Sources

The amounts required for payment of the Mid-Year Bonus to qualified scholars shall be sourced from the following:

- 5.1 For national government agencies, from the available released allotment for Personnel Services in the agency budget;
- 5.2 For GOCCs, from their respective corporate funds; and
- 5.3 For LGUs, from their respective local government funds.

6.0 Retroactive Application

The provisions of this Circular shall apply retroactively to the grant of the Mid-Year Bonus to qualified scholars beginning FY 2016.

7.0 Effectivity

This Circular shall take effect immediately.

(Sgd.) JANET B. ABUEL
Officer-in-Charge, DBM

Janet B. Abuel

