



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

**CIRCULAR LETTER**

**No. 2024 - 17**  
**4 DECEMBER 2024**

**TO :** All Heads of Departments, Bureaus, and Agencies of the National Government, Including State Universities and Colleges (SUCs), and Government-Owned or -Controlled Corporations (GOCCs); Local Water Districts (LWDs); Local Government Units (LGUs); and All Others Concerned

**SUBJECT :** GRANT OF THE FISCAL YEAR (FY) 2024 PRODUCTIVITY ENHANCEMENT INCENTIVE (PEI)

1.0 **Background**

**Administrative Order (AO) No. 25, s. 2011**<sup>1</sup> provided for the establishment of the Results-Based Performance Management System (RBPMS) across all agencies within the Executive Branch, which shall be used as basis for determining entitlement to performance-based allowances, incentives, or compensation of government personnel.

Under **Executive Order (EO) No. 80, s. 2012**<sup>2</sup>, the Performance Based Incentive System (PBIS) was adopted, consisting of the (i) Performance-Based Bonus (PBB), and the (ii) PEI, to motivate higher performance and greater accountability in the public sector, as well as to ensure the accomplishment of key commitments and targets by the various agencies.

However, the implementation of the RBPMS under AO No. 25 and the PBIS under EO No. 80 was suspended with the issuance of **EO No. 61** in June 2024. Thereupon, a Technical Working Group (TWG) was constituted to review the RBPMS and PBIS with the purpose of streamlining and improving the government performance management and incentives system.

<sup>1</sup> "Creating an Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems", dated December 21, 2011

<sup>2</sup> "Directing the Adoption of a Performance-Based Incentive System for Government Employees", dated July 20, 2012

Corollary, the President approved the Transition Plan submitted by the TWG for the New Government Performance Management and Incentives System pursuant to EO No. 61, including the continued grant of the PEI for FY 2024.

## 2.0 Rationale

The PEI is one of the **incentives** under the Total Compensation Framework established under **Congress Joint Resolution (JR) No. 4, s. 2009**<sup>3</sup> that may be granted to government employees as a reward for exceeding agency and financial performance targets, and to motivate employee efforts toward higher productivity.

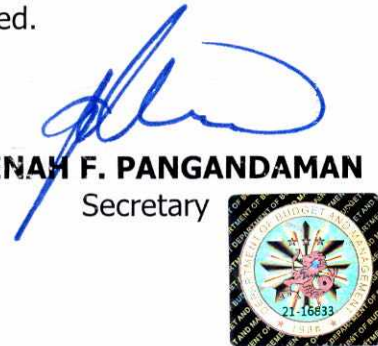
Relatedly, the appropriation for the PEI is one of the Personnel Services items for comprehensive release through General Appropriations Act as the Allotment Order, as provided under National Budget Circular No. 592<sup>4</sup>.

## 3.0 Grant of the FY 2024 PEI

In accordance with the approval by the President of the submitted Transition Plan of the EO No. 61 TWG, **the FY 2024 PEI shall be granted** at a uniform rate of **P5,000** for each qualified government employee, **payable not earlier than December 15, 2024**, subject to the conditions, policies, and guidelines prescribed under **Budget Circular No. 2017-4**<sup>5</sup> dated December 4, 2017.

4.0 For the information and guidance of all concerned.

**AMENAH F. PANGANDAMAN**  
Secretary



<sup>3</sup> "Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Base Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and For Other Purposes", dated June 17, 2009

<sup>4</sup> "Guidelines on the Release of Funds for Fiscal Year (FY) 2024", dated January 2, 2024

<sup>5</sup> "Guidelines on the Grant of the Productivity Enhancement Incentive to Government Employees for Fiscal Year (FY) 2017 and Years Thereafter", dated December 4, 2017