



ARTA
ANTI-RED TAPE AUTHORITY
OFFICE OF THE PRESIDENT



THE EXECUTIVE ORDER NO. 61 (s. 2024)¹ TECHNICAL WORKING GROUP²

MEMORANDUM CIRCULAR NO. 2026- 1

Date: 3 July 2026

TO : ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES, AND OTHER AGENCIES OF THE NATIONAL GOVERNMENT, INCLUDING OTHER EXECUTIVE OFFICES, THE CONGRESS, THE JUDICIARY, THE CONSTITUTIONAL COMMISSIONS, THE OFFICE OF THE OMBUDSMAN, STATE UNIVERSITIES AND COLLEGES, GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, LOCAL WATER DISTRICTS, AND LOCAL GOVERNMENT UNITS

SUBJECT : GUIDELINES ON THE GRANT OF THE PERFORMANCE-BASED BONUS (PBB) FOR FISCAL YEAR (FY) 2024

1. RATIONALE

The Philippine Development Plan (PDP) 2023-2028 declares the practice of good governance and improvement of bureaucratic efficiency as one of the strategies to enable the achievement of sectoral and development outcomes towards economic and social transformation.

In line with the strategies and goals outlined in the PDP, EO No. 61, s. 2024 mandated the review and study of the Results-Based Performance Management System (RBPMS) and the Performance-Based Incentive (PBI) System to streamline, simplify, and harmonize the government's performance management framework, including the process of providing performance-based incentives to government agencies and employees. The subject EO directed the TWG created thereunder to prepare a comprehensive report on its findings and recommendations for the establishment of a new government performance management and incentives system.

The results of the study show that while the existing performance management framework remains relevant as a tool for the panoramic assessment of agencies' performance and compliance, it nonetheless requires improvements to strengthen the link between incentivizing organizational outputs and achieving sectoral outcomes, while also streamlining the process of assessing agency accomplishments.

¹ *Suspending the Implementation of Administrative Order No. 25 (s. 2011) and Executive Order No. 80 (s. 2012), as Amended*, dated 3 June 2024

² Technical Working Group for the New Government Performance Management System

Upon the recommendation of the TWG, the Office of the President (OP) has authorized the grant of the FY 2024 PBB, consistent with existing laws, rules, and regulations, as well as the recently issued guidelines governing the conduct and review of government operations and delivery of public services.

Consistent with the findings of the study conducted by the EO No. 61 TWG, the evaluation of agency performance for purposes of the grant of the FY 2024 PBB shall remain guided by the principles of effective organizational performance, sustained good financial stewardship, continuous pursuit of process and operational efficiency, and the public's satisfaction with the delivery of government functions and services.

2. PURPOSE

This Memorandum Circular (MC) is being issued to provide the guidelines for the grant of the FY 2024 PBB.

3. COVERAGE

The FY 2024 PBB covers all departments, bureaus, offices, and other agencies of the National Government, including other executive offices (OEOs), state universities and colleges (SUCs), government-owned or -controlled corporations (GOCCs), local water districts (LWDs), and local government units (LGUs), as well as the Congress, the Judiciary, the Constitutional Commissions, the Commission on Human Rights, and the Office of the Ombudsman.

The list of national government agencies (NGAs) and SUCs enrolled in the FY 2024 PBB are provided in **Annex 1 (Master List of Departments/Agencies and State Universities and Colleges)** hereof.

3.1 The implementation of this Circular shall be done in close coordination with the following agencies:

- (a) Department of Budget and Management (DBM), for NGAs;
- (b) OP-Office of the Executive Secretary (OP-OES) and the DBM for OEOs, including OP attached agencies and GOCCs under the supervision of the DBM;
- (c) Commission on Higher Education (CHED), for SUCs;
- (d) Governance Commission for GOCCs (GCG), for GOCCs covered by Republic Act (RA) No. 10149;³
- (e) Local Water Utilities Administration (LWUA), for LWDs;
- (f) Department of the Interior and Local Government (DILG), for LGUs; and
- (g) Administrative Order (AO) No. 25, s. 2011 Inter-Agency Task Force (IATF) Secretariat.

3.2 Only those personnel whose compensation is funded under the Personnel Services (PS) allocation, such as employees holding regular, contractual, and casual positions, shall be covered by this Circular.

³ GOCC Governance Act of 2011

4. ELIGIBILITY CRITERIA

4.1 An agency must satisfy the criteria and conditions under the following dimensions of accountability:

4.1.1 **Performance Results**, or the accomplishment of Congress-approved performance targets under the Program Expenditure Classification (PREXC) of the FY 2024 General Appropriations Act (GAA);

4.1.2 **Process Results**, or improvements in ease of transaction with the agency as a result of streamlining, digitalization, standardization, systems and process reengineering, and other related improvements;

4.1.3 **Financial Results**, or the actual spending of the agency’s budget vis-à-vis the realization of committed programs and projects; and

4.1.4 **Citizen/Client Satisfaction Results**, or achievement in satisfying the quality expectations of the transacting public.

The eligibility of an agency for the grant of the FY 2024 PBB shall depend on its overall score in the aforesaid four (4) dimensions of accountability. To become eligible for the FY 2024 PBB, the agency must attain an **overall score of at least 70 points** based on the scoring system in **Table 1** of this MC. However, if the agency receives a rating lower than 4 in any of the Eligibility Criteria based on item 5.0 hereof, the unit(s) and/or individual(s), including the head of the unit, that are most responsible for the said criterion shall be isolated and excluded from the grant of the FY 2024 PBB.

4.2 Agencies shall have pursued or maintained compliance with government-mandated laws and standards identified as **Agency Accountabilities** in item 6.0 of this MC. Compliance with these requirements shall also be considered in determining the eligibility of responsible units and individuals for the grant of the FY 2024 PBB.

4.3 The DILG, GCG, and LWUA, in coordination with the EO No. 61 TWG, shall issue separate guidelines, consistent with this MC, for the grant of the FY 2024 PBB for LGUs, GOCCs covered by RA. No. 10149, and LWDs, respectively.

5. ASSESSMENT AND SCORING SYSTEM

The agency’s accomplishments for each of the criteria shall be rated using a scale of 1 to 5 (where 5 is the highest). Each criterion has an assigned weight, as shown in Table 1 below:

TABLE 1: FY 2024 PBB SCORING SYSTEM							
CRITERIA AND CONDITIONS		WEIGHT	PERFORMANCE RATING				
			1	2	3	4	5
Performance Results		5	5 points	10 points	15 points	20 points	25 points
Process Results		5	5 pcints		15 points		25 points
Financial Results		5	5 points	10 points	15 points	20 points	25 points
Citizen/Client Satisfaction Results	Hotline #8888	2.5	2.5 points	5 points	7.5 points	10 points	12.5 points
	Contact Center ng Bayan (CCB)	2.5	2.5 points	5 points	7.5 points	10 points	12.5 points

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The maximum score that may be obtained by the agency is 100 points. **An agency shall be considered eligible for the FY 2024 PBB upon attaining a total score of at least 70 points.**

5.1 **Performance Results.** The measures under Performance Results aim to evaluate an agency's efforts in ensuring the timely delivery of high-quality impact programs and projects, devoting available resources to mandates and core functions, and intensifying transparency in public spending.

5.1.1 Agencies must have achieved the **applicable performance targets as indicated in the FY 2024 GAA and/or prescribed by the pertinent oversight agencies.** For this purpose, the performance indicators shall focus on the Key Outcome/Output Performance Indicators (KOPIs) consistent with the FY 2024 Agency Performance Review (APR) results. The applicable performance targets are as follows:

5.1.1.1 NGAs, attached agencies, and SUCs must have achieved each one of the Congress-approved performance targets under the PREXC of the FY 2024 PBB.

5.1.1.2 GOCCs receiving budgetary support from the National Government (NG) but are exempt from the coverage of RA No. 10149 must have achieved (a) each one of the Congress-approved targets under the PREXC of the FY 2024 GAA, and (b) the physical and financial performance targets in DBM Form 700 (Corporate Objectives, Priorities and Performance Measures).

5.1.1.3 GOCCs not receiving budgetary support from the NG and are exempt from the coverage of RA No. 10149 must have achieved the physical and financial performance targets in DBM Form 700.

5.1.1.4 GOCCs covered by RA No. 10149 must have achieved the performance targets to be prescribed by the GCG, in coordination with the EO No. 61 TWG, through a separate issuance.

5.1.1.5 LWDs must have achieved each one of the physical targets specified by the LWUA, in coordination with the EO No. 61 TWG, through a separate set of guidelines; and

5.1.1.6 LGUs must have achieved the performance targets specified by the DILG, in coordination with the EO No. 61 TWG, in a separate set of guidelines.

5.1.2 The performance of agencies in the achievement of their respective targets shall be evaluated by the DBM based on the agency's **Budget Accountability Report No. 1 (Quarterly Physical Report of Operations).**

5.1.3 For the validation of physical accomplishments of SUCs, they shall ensure that the submitted FY 2024 accomplishment report includes evidence and/or supporting documentation as prescribed by the CHED.



- 5.1.4 For GOCCs that do not receive budgetary support from the NG and are exempt from the coverage of RA No. 10149, the reporting of Performance Results shall be supported by DBM Form 700 reflecting the GOCC's Physical and Financial Performance, and DBM-prescribed Corporate Operating Budget (COB) forms duly signed by the Head of the Agency or their designated official, to be submitted to the EO No. 61 TWG Secretariat.
- 5.1.5 Agency accomplishments under the Performance Results criterion shall be rated using the following scale:

TABLE 2: RATING SCALE FOR PERFORMANCE RESULTS				
1	2	3	4	5
Met below 50% of performance indicators (PIs) of the Congress-approved targets for FY 2024	Met 50% to less than 70% of PIs of the Congress-approved targets for FY 2024	Met 70% to less than 80% of PIs of the Congress-approved targets for FY 2024	Met 80% to less than 100% of PIs of the Congress-approved targets for FY 2024	Met all or 100% of PIs of the Congress-approved targets for FY 2024

In the case of GOCCs, accomplishments under the Performance Results criterion shall be assessed by the following oversight agencies:

- (a) For GOCCs receiving budgetary support from the NG but are exempt from the coverage of RA No. 10149: the DBM, for (1) the assessment of Congress-approved performance targets under the PREXC of the FY 2024 GAA; and (2) the Performance Review to be provided by the DBM Budget and Management Bureau (BMB)-C.
 - (b) For GOCCs not receiving budgetary support from the NG and are exempt from the coverage of RA No. 10149: the DBM, for the Performance Review to be provided by the DBM BMB-C.
 - (c) For GOCCs covered by RA No. 10149: the GCG and/or the DBM, for the performance targets to be prescribed in a separate issuance.
- 5.2 **Process Results.** The measures under Process Results shall assess the extent to which ease of transaction has been achieved in the critical service, based on mandated functions covering government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions, as well as administrative and supporting services.

Ease of transaction initiatives include approaches such as reengineering, streamlining, digitalization and other technological applications, and other types of process innovations implemented in the agencies, including their regional, satellite, and extension offices.

- 5.2.1 For FY 2024, an agency must have attained **substantial improvements in ease of transaction** in one (1) critical service, which may **either** be (a) a citizen- or external client-facing service based on the mandated function of the agency. **or** (b) an internal client-facing, support to operations, or administrative service. The service to be nominated must be declared in either the FY 2023 and/or the FY 2024 Citizen's Charter of the agency or SUC.

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Agencies are highly encouraged to nominate a service that have not been submitted for the Process Results criterion in previous PBB cycles. However, agencies may nominate a critical service previously reported in FY 2023 Process Results Report, if there are new improvements introduced with verifiable results (e.g., number or percentage of reduction in total processing time, steps, requirements, costs, etc.)

As defined in Anti-Red Tape Authority (ARTA) MC No. 2019-002-A,⁴ services may be categorized as either external or internal:

- 5.2.1.1 External services are those government services requested or transacted by people outside the government agency, such as citizens, private clients, representatives from non-government organizations, or government employees acting or transacting on behalf of another government agency.
- 5.2.1.2 Internal services are those government services applied for or requested by internal clients or individuals within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include those, such as but not limited to, back-end/support services to regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorizing, or concession.
- 5.2.2 An agency shall nominate a critical service for the purpose of determining eligibility for the PBB. In determining whether a service is critical or not, agencies shall consider any or a combination of the following factors:
 - (a) The service is a **core service** whose delivery is integral in fulfilling the overall mission and objectives of the public sector organization and is provided by the agency to its clients upon request. These services may refer to those that are aligned with the agency's mandate and main functions.
 - (b) The service is the **most complained service** with the greatest number of complaints received by the agency and other complaints-handling agencies.
 - (c) The service recorded the **greatest number of pending transactions or backlogs** that went beyond its prescribed processing time as declared in the agency's Citizen's Charter.
 - (d) The service **generates income/revenue** for the government.
 - (e) The service is **attributable to the PREXC/Programs** of agencies.
 - (f) The service **involves inter-agency action** to complete the transaction.

A nominated service that does not fall under any of items (a) to (f) shall be regarded as a non-critical service.

⁴ Supplemental Guidelines on ARTA Memorandum Circular No. 2019-002 series of 2019 or the "Guidelines on the Implementation of the Citizen's Charter in Compliance with RA No. 11032, otherwise known as the 'Ease of Doing Business and Efficient Government Service Delivery Act of 2018,' and its Implementing Rules and Regulations."



Agencies may nominate a critical service previously reported for the FY 2023 PBB cycle, provided that there are new improvements introduced with verifiable results.

- 5.2.3 The specific parameters and requirements that will be considered in assessing agency accomplishments under the Process Results criterion are provided in **Annex 2 (Guidelines on the Process Results Criterion for the FY 2024 PBB Cycle)**.
- 5.2.4 In substantiating the reported process improvements, the agency shall demonstrate **at least 15% improvement (either reduction or increase, as appropriate)** in any of the parameters specified in item 2.2 of Annex 2.
- 5.2.5 Agencies shall report objectively verifiable evidence of achievements in ease of doing business/ease of transaction from the completed transactions of the nominated services using the **Online Modified Form A**.⁵
- 5.2.6 Agency performance under the Process Results criterion shall be rated using the following scale:

TABLE 3: RATING SCALE FOR PROCESS RESULTS				
1	2	3	4	5
Below 10% improvement in any of the parameters of process improvement;		At least 10% improvement in any of the parameters of process improvement		At least 15% improvement in any of the parameters of process improvement

- 5.3 **Financial Results.** The measures under Financial Results shall assess the agency's efficiency in utilizing the cash resources made available for the implementation of its committed programs and projects, as reflected in the agency's **Disbursement Budget Utilization Rate (BUR)**.

- 5.3.1 The Disbursement BUR shall refer to the ratio of total cash disbursements to the total Notice of Cash Allocation (NCA) received within FY 2024, net of Trust Receipts (TR).

Total cash disbursements shall consist of payments for both prior and current year obligations based on the agency's **Financial Accountability Report (FAR) No. 4** for FY 2024, excluding TR.

Accordingly, the Disbursement BUR is computed as follows:

$$\text{Disbursement BUR} = \frac{\text{Total cash disbursements (excluding TR)}}{\text{Total NCA (excluding TR)}}$$

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⁵ The link to the Online Modified Form A is provided under Annex 2

5.3.2 For GOCCs covered by the DBM, the Disbursement BUR is computed as:

Disbursement BUR =
$$\frac{\text{Total Actual Utilization (inclusive of corporate funds)}}{\text{Total DBM-approved COB level}}$$

5.3.3 For SUCs, the Disbursement BUR is computed using the same formula in item 5.3.1.

Since all earmarked income of the SUCs (e.g., trust funds, internally generated income, and revolving funds) should benefit and improve the SUC's operations, its Disbursement BUR shall also be reported following the templates in **Annexes 3 (Performance Report for State Universities and Colleges). 3.1 (Form A - State Universities and Colleges Bureaus/Offices Performance Report), and 3.2 (Form A-1 - State Universities and Colleges Bureaus/Offices Performance Report).**

5.3.4 Agencies with fund transfers, whether for operating or program subsidies or both, must have likewise achieved and reported the same Disbursement BUR for NGAs for all the subsidy releases for FY 2024 from the aforementioned appropriations sources.

5.3.5 Accomplishments under the Financial Results criterion for FY 2024 shall be assessed by the DBM using the agency's FAR No. 4 and the NCA released, as reflected in the records of the DBM. For GOCCs, the assessment shall be based on the Performance Review for COB provided by the DBM.

5.3.6 For the purpose of determining eligibility for the grant of the FY 2024 PBB, the rating scale for Disbursement BUR shall be adopted, as follows:

TABLE 4: RATING SCALE FOR FINANCIAL RESULTS				
1	2	3	4	5
Below 40% Disbursement BUR	40% to less than 55% Disbursement BUR	55% to less than 70% Disbursement BUR	70% to less than 85% Disbursement BUR	85% to 100% Disbursement BUR

5.4 **Citizen/Client Satisfaction Results.** The measures under Citizen/Client Satisfaction Results shall reflect the perceived satisfaction of clients or the transacting public in dealing with government agencies.

5.4.1 NGAs, GOCCs covered by the DBM, and SUCs shall be assessed based on the resolution of reported complaints recorded through Hotline #8888 and Contact Center ng Bayan (CCB). Agencies shall ensure the **(a) resolution of all complaints** and grievances reported to Hotline #8888 and CCB, and **(b) compliance with the 72-hour prescribed period** to take actions on complaints.

Reported complaints and grievances shall cover government service and procedures of the agencies, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities.

To provide evidence on this, agencies may submit a report summarizing Hotline #8888 and CCB complaints received in FY 2024 and their status if resolved or pending. The validation shall be complemented with reports and collected data on feedback and complaints from citizens/clients gathered by the OP, the Presidential Management Staff, the Civil Service Commission (CSC), and the Presidential Communications Office from Hotline #8888 and CCB databases, as well as the Freedom of Information (FOI) portals. To determine the resolution and compliance rates to Hotline #8888 and CCB complaints, agencies may refer to the definitions provided in **Annex 4 (Hotline #8888 and CCB Resolution)**.

5.4.2 In assessing the agency's performance under the Citizen/Client Satisfaction Results criterion, the resolution and compliance rates of Hotline #8888 and CCB complaints shall be rated separately, with the following rating scale applied to each component:

TABLE 5: RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS				
1	2	3	4	5
0% resolution and compliance rate	At least 1% resolution and compliance rate	At least 50% resolution and compliance rate	At least 75% resolution and compliance rate if there are more than 250 tickets; or At least 80% resolution and compliance rate if there are 250 tickets or less	100% resolution and compliance rate; or Absence of complaints

5.4.3 Meanwhile, LWDs and GOCCs covered by RA No. 10149 shall be assessed using reports from the client satisfaction or feedback mechanism prescribed by the LWUA and the GCG.

6. AGENCY ACCOUNTABILITIES

Consistent with the implementation of existing government-mandated laws and standards, agencies must have continued the implementation, enforcement, and monitoring of their compliance with the following requirements within their agencies:

- 6.1 Updating of the agency's Transparency Seal (TS) (see **Annex 5**);
- 6.2 Sustained compliance with Audit Findings;
- 6.3 Compliance with the FOI Program;
- 6.4 Establishment and Conduct of the Agency Review and Compliance of Statement of Assets, Liabilities, and Net Worth (SALN);
- 6.5 Posting of all invitations to bids and awarded contracts (Notices of Award/Bid Results, Actual Approved/Awarded Contracts, and Notices to Proceed/Purchase Orders for public bidding transactions above One Million Pesos (PhP 1,000,000.00) (see **Annex 6**);
- 6.6 FY 2024 Annual Procurement Plan for Non-Common Use Supplies and Equipment (APP non-CSE);

- 6.7 FY 2025 APP for Common Use Supplies and Equipment (APP-CSE) (see **Annex 7**);
- 6.8 Results of the FY 2023 Agency Procurement Compliance and Performance Indicators (APCPI) Report;
- 6.9 Submission of Certification of Early Procurement Activities for procurement projects in FY 2025 through the Real-Time EPA Generating Information and Analytics (REGINA);
- 6.10 Designation of the agency's Committee on Anti-Red Tape (CART);
- 6.11 Implementation of the harmonized Client Satisfaction Measurement (CSM); and
- 6.12 For covered agencies, compliance with the National Competition Policy (NCP) (see **Annexes 8 to 8.2**).

Agencies should submit these requirements directly to the validating agencies based on the schedule listed in **Annex 9 (FY 2024 Agency Accountability Timelines)**.

7. ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- 7.1 As stated in item 5.0 hereof, an agency shall be considered eligible for the FY 2024 PBB upon attaining a total score of at least 70 points. However, if the agency receives a rating lower than 4 in any of the Eligibility Criteria, the unit(s) and/or individual(s), including the head, that are most responsible for the said criterion shall be isolated and excluded from the grant of the FY 2024 PBB.

In addition, compliance with the Agency Accountabilities enumerated under item 6.0 of this MC shall be considered in determining the eligibility of responsible units and individuals for the grant of the FY 2024 PBB. The unit(s) and/or individual(s), including the head, that are most responsible for the Agency Accountabilities with which the agency is non-compliant shall also be isolated from the grant.

For this purpose, the agency's Performance Management Team or its equivalent unit/body in the agency shall determine the unit(s), head(s), and/or individual(s) to be isolated from the grant of the FY 2024 PBB.

- 7.2 Eligible delivery units shall be granted FY 2024 PBB at uniform rates across the agency, including its officials and employees. The corresponding rates of the PBB shall be based on the agency's achieved total score as provided in item 8.1 hereof.
- 7.3 First-, second-, and third-level employees should achieve a performance rating of at least "Very Satisfactory" based on the agency's Strategic Performance Management System (SPMS) duly approved by the CSC; or the Career Executive Service Performance Evaluation System (CESPES) prescribed by the Career Executive Service Board (CESB). It is the responsibility of the agency's management to ensure the implementation of a CSC-approved SPMS and CESB-prescribed CESPES in order to determine individual performance ratings to serve as basis for identifying the employees eligible for the grant of the FY 2024 PBB.



- 7.4 Department Secretaries, Heads of OEOs, Chairpersons, Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by the DBM are eligible only if their respective agencies are eligible. If eligible, their PBB shall be equivalent to the rates stated in item 8.1 of this MC.
- 7.5 Non-ex officio Board Members of GOCCs covered by the DBM may be eligible for the PBB with the equivalent rates following item 8.0 hereof and these conditions:
- 7.5.1 The GOCC has qualified for the grant of the FY 2024 PBB;
 - 7.5.2 The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
 - 7.5.3 The Board Member has nine (9) months aggregated service in the position; and
 - 7.5.4 The GOCC has submitted the appropriate annual Board-approved COB to DBM following the Corporate Budget Circular No. 22 dated December 1, 2016.
- 7.6 For SUCs, in case there is a change in leadership within the year, the SUC President who served the longest shall be entitled to the PBB with the equivalent rates following the provisions stated in item 8.1 hereof.
- The PBB rate of the SUC President who served for a shorter period shall be based on the eligibility of the SUC where they served the longest.
- 7.7 Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. The payment of the PBB shall come from the mother agency.
- 7.8 Personnel who transferred from one government agency to another agency shall be included by the agency where they served the longest. If the employee served in each agency for equal number of months, they will be included in the recipient agency.
- 7.9 Officials and employees who transferred from or to government agencies that do not participate in the 2024 PBB implementation shall be rated by the agency where they served the longest in 2024. They shall be eligible for the PBB grant on a pro-rata basis corresponding to their actual length of service to the participating agency, as provided in item 7.11 hereof.
- 7.10 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Very Satisfactory rating may be eligible for the full grant of the PBB.



- 7.11 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of government service and with at least a Very Satisfactory rating shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of government service rendered, as follows:

TABLE 6: LENGTH OF SERVICE AND PERCENTAGE OF PBB	
LENGTH OF SERVICE	% OF PBB
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual government service requirement to be considered for PBB on a pro-rated basis:

- a. Being a newly hired employee
- b. Retirement;
- c. Resignation;
- d. Any interruption in the continuity of service that is not a result of a disciplinary action;
- e. Rehabilitation Leave;
- f. Maternity Leave and/or Paternity Leave;
- g. Special Leave Benefits for Women pursuant to RA No. 9710;⁶
- h. Special Emergency Leave under CSC MC Nos. 2, s. 2012⁷ and 16, s. 2012;⁸
- i. Vacation or Sick Leave with or without pay;
- j. Scholarship/Study Leave; and/or
- k. Sabbatical Leave.

- 7.12 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of the PBB.

- 7.13 Personnel found guilty of administrative and/or criminal cases by final judgment in FY 2024 shall not be entitled to the PBB. However, if the penalty meted out is only a reprimand, such a penalty shall not cause disqualification to the PBB.

- 7.14 Officials and employees who failed to submit the 2023 SALN as prescribed in the rules provided under CSC MC No. 3 s. 2015;⁹ or those who are responsible for non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2024 PBB.

- 7.15 Officials and employees who failed to liquidate all cash advances received in FY 2024 within the reglementary period, as prescribed in COA Circular No. 97-002 dated February 10, 1997, and reiterated in COA Circular No. 2009-002 dated May 18, 2009, shall not be entitled to the FY 2024 PBB.

⁶ Magna Carta for Women

⁷ Special Emergency Leave to Government Employees Affected by Natural Calamities/Disasters dated 16 February 2012

⁸ Supplemental Guidelines in the Grant of Special Emergency Leave dated 17 October 2012

⁹ Amendment to CSC Memorandum Circular No. 2, s. 2013 (Revised Statement of Assets, Liabilities, and Net Worth (SALN) Form dated 17 February 2015

8. RATES OF THE PBB

8.1 The total score as stated in item 5.0 hereof shall be the basis for determining the amount of the PBB an agency is eligible for. The maximum rate of the PBB for agencies that will achieve 100 points shall be 65% of the Monthly Basic Salary (MBS) of an individual as of December 31, 2024. For illustration, see Table 7 below:

TABLE 7: RATES OF THE PBB	
TOTAL SCORE	PBB RATES
100 points	65% (100% of 65% of the MBS)
95 points	61.75% (95% of 65% of the MBS)
90 points	58.5% (90% of 65% of the MBS)
85 points	55.25% (85% of 65% of the MBS)
80 points	52% (80% of 65% of the MBS)
75 points	48.75% (75% of 65% of the MBS)
70 points	45.5% (70% of 65% of the MBS)

In cases where the overall score is not a whole number (i.e., ending in .5), the overall score shall be rounded down to determine the appropriate PBB rate.

8.2 The PBB rate of an eligible agency that fails to submit all reportorial requirements for the assessment of agency performance under the Eligibility Criteria on time will be reduced by 5%.

9. TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

9.1 Consistent with DBM National Budget Circular No. 592¹⁰ pursuant to Section 100 of the General Provisions of the FY 2024 GAA, and DBM CL No. 2025-2, agencies must have submitted their quarterly Budget and Financial Accountability Reports (BFARs) and APR reports on or before the applicable timelines, as follows:

TABLE 8: APR TIMELINES	
30 January 2025	BFAR for the fourth quarter of FY 2024, through the DBM Unified Reporting System
16 February 2025	Submission of Annual APR by small/centralized departments/agencies to the DBM Central Office
	Submission of Annual APR by SUCs and lower implementing units of decentralized departments/agencies to the DBM Regional Offices
28 February 2025	Submission of consolidated Annual APR of big regionalized/decentralized departments/agencies to the DBM Central Office

¹⁰ Guidelines on the Release of Funds for Fiscal Year (FY) 2024 dated 2 January 2024

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The BFARs and the Annual APR reports will be used to assess and validate agency performance under the Performance Results and Financial Results criteria. Non-compliance thereto must be supported with relevant and sufficient justification.

- 9.2 SUCs must have submitted to the CHED all necessary performance reports **within twenty (20) calendar days** from the effectivity of this MC.
- 9.3 Agencies shall submit their duly accomplished Modified Form A, together with the necessary supporting documents and other means of verification (MOV), directly to the ARTA **within twenty (20) calendar days** from the effectivity of this MC.
- 9.4 Agencies shall submit proof of submission of reports required for assessment of agency performance under the Eligibility Criteria **within twenty (20) calendar days** from the effectivity of this MC. Documentation shall be submitted **online** in Portable Document Format (PDF) through the **Government Executive Information System Portal**.

The documentation shall be used to verify the timely submission of reports. Agencies that are assessed to be eligible for the grant of the FY 2024 PBB but fail to submit any of the reportorial requirements on time shall be subject to a penalty of 5% reduction in the rates of incentives, as indicated in item 8.2 of this MC. Agencies with late submissions shall be notified of the penalty through the Final Eligibility Assessment.

- 9.5 Agencies must submit all documents/MOVs upon their initial submission, which shall serve as the sole basis for the validating agency. The validating agency shall proceed with the validation based on all the documents provided. Hence, agencies shall ensure to submit their reports with complete supporting documents during the given submission period.

Agencies shall ensure that all explanations and justifications for deficiencies are already attached in their submissions to the validating agencies concerned.

- 9.6 Validating agencies shall conduct the necessary activities to assess accomplishments and validate compliance with PBB requirements. Validating agencies shall submit their reports to the EO No. 61 TWG through its Secretariat, as well as the AO No. 25 IATF Secretariat, **within sixty (60) calendar days** from the effectivity of this MC.
- 9.7 The EO No. 61 TWG, with the assistance of its Secretariat and the AO No. 25 IATF Secretariat, may likewise conduct verification activities, upon notification to a participating agency, to validate claims and certifications made by the agency in their submitted/posted reports and/or requirements.
- 9.8 Agencies shall be responsible for the review and updating of their respective Personnel Services Itemization and Plantilla of Personnel (PSIPOP) under the DBM's Government Manpower Information System (GMIS). Under DBM NBC No. 549,¹¹ agencies shall review the PSIPOP and update the Plantilla of Personnel (POP) portion thereof, and upload the same to the GMIS database every last week of the month. The PSIPOP shall serve as the primary source of data in determining the total FY 2024 PBB requirement of the agency, to be



¹¹ [Monthly Updating of the Personal Services Itemization and Plantilla of Personnel \(PSIPOP\) Under the Web-based Application System](#) dated 21 October 2023

complemented by a simplified **Annex 10 (Report on Ranking of Delivery Units)**.

- 9.9 For agencies with non-permanent positions or excluded from the coverage of the GMIS, a modified Form 1.0 shall be submitted to the DBM for review and evaluation.

10. EFFECTS OF NON-COMPLIANCE

An agency which, after due process, has been determined by the pertinent oversight agency, the AO No. 25 IATF Secretariat, and/or the EO No. 61 TWG Secretariat, to have willfully committed a prohibited act, shall be disqualified from the grant of the PBB in the succeeding year of its implementation. Such prohibited acts include, but are not limited to, the following:

- (a) Misrepresentation in the reports/documents submitted for purposes of the PBB;
- (b) Violation of any of the provisions of this MC;
- (c) Commission of fraud in the payment of the PBB; and
- (d) Improper distribution of PBB payment in violation of the isolation rule for failure to meet Eligibility Criteria and/or Agency Accountabilities.

Further, should the prohibited act described in items (a) and (b) be discovered during the validation or assessment, the erring agency shall be disqualified for the grant of the PBB for the current year.

Moreover, the CSC or Office of the Ombudsman shall file the appropriate administrative case for misrepresentation in the submitted/posted reports and requirements for the PBB, a commission of fraud in the payment of the PBB, and violation of the provisions of this Circular.

11. APPEALS AND GRIEVANCE MECHANISM

An agency that wishes to request reconsideration of, and/or present its position and justification on the results of the validation and assessment may submit an appeal following the guidelines provided in **Annex 11 (Guidelines on the Filing of Appeals on the Grant of the FY 2024 PBB)**.

The DILG, the GCG, and the LWUA shall likewise establish an appeals mechanism for agencies under their supervision.

12. COMMUNICATION AND CHANGE MANAGEMENT

- 12.1 The Head of Agency, with the support of the Performance Management Team (PMT), should enhance the implementation of their internal communications strategy on the PBB and fulfill the following:

- 12.1.1 Engage their respective employees in understanding the PBB, the performance targets of their respective agencies, as well as the services and outputs that they will need to deliver to meet these targets.



- 12.1.2 Disseminate the performance targets and accomplishments of their agencies to their employees through the intranet and other means, as well as publish these on their respective websites for the public's information.
- 12.1.3 Set up a Help Desk to respond to queries and comments on the targets and accomplishments of their agencies. The Help Desk may be a facility that is embedded in the respective websites of agencies.
- 12.1.4 Set up a Complaints Mechanism to respond to the PBB-related issues and concerns raised by officials and employees of their respective agencies. Such may be incorporated into the functions of their Grievance Committee.
- 12.2 The Head of Agency shall designate an official of at least an Assistant Secretary or equivalent rank who shall serve as the PBB Focal Person. The offices responsible for performance management may be tasked to provide secretariat support to the PMT and to recommend strategies to instill a culture of performance within the agency. The name, position, and contact details (email, landline, facsimile, cellular phone) of the PBB focal persons should be submitted to the EO No. 61 TWG Secretariat and AO No. 25 IATF Secretariat.
- 12.3 Agencies should strengthen their communications strategy and ensure transparency and accountability in the implementation of the PBB.
- 12.4 All inquiries and concerns on the FY 2024 PBB cycle shall be directed to the EO No. 61 TWG Secretariat and the AO No. 25 IATF Secretariat. The Secretariats shall maintain the following communication channels:

EO No. 61 TWG Secretariat

Email Addresses:

- dbm-eo61secretariat@dbm.gov.ph (for general concerns)

Phone Number: (02) 8657-3300

- Ext. Number 1227 (for general concerns)
- Ext. Number 1218 (for concerns on Form 1.0 and fund releases)

AO No. 25 IATF Secretariat

Email Address:

- ao25secretariat@dap.edu.ph

Phone Numbers:

- (02) 8400-1469
- (02) 8400-1490
- (02) 8400-1582

13. APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE, AND JUDICIAL BRANCHES

The Congress, the Judiciary, and the Constitutional Commissions are encouraged to follow these guidelines to be eligible for the grant of the FY 2024 PBB.



14. EFFECTIVITY CLAUSE

This Memorandum Circular shall take effect immediately upon its publication in the Official Gazette or in a newspaper of general circulation.

Certified true copies shall be posted on the RBPMS website (<https://rbpms.dap.edu.ph>), the DBM website (<https://www.dbm.gov.ph>), and the Official Gazette (<https://www.officialgazette.gov.ph>), and shall be filed at the University of the Philippines Law Center.

Adopted through EO No. 61 TWG Resolution No. 2026-1 dated 2 July 2026.



KIM ROBERT C. DE LEON
- Acting Secretary, DBM
and Chairperson of the EO No. 61 TWG

