

In compliance with the GCG Memorandum Circular 2015-05, the Home Guaranty Corporation hereby adopts the following guidelines for the ranking of employees. The guidelines are consistent with Sections 4 and 5 of GCG Memorandum Circular 2015-05 for the grant of Performance-Based Bonus to Government – Owned and Controlled Corporations Employees for FY 2015.

1. **COVERAGE.** - All Officers and Employees who occupy regular positions shall be entitled to full grant of the PBB at the time of the payout of the PBB; *Provided*, they have rendered an aggregate of at least nine (9) months of service in the public sector for the year ending 31 December 2015. Officers and Employees who do not meet the 9-month service requirement but have served at least 3 months of service shall be entitled to PBB on a pro-rata basis as provided in Section 1.1 herein.

1.1 *Eligibility of Individual Officers and Employees*

- (a) Employees belonging to the First and Second Levels should receive a rating of at least "Satisfactory" based on the HGC's Strategic Performance Management System (SPMS).
- (b) Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.
- (c) Personnel who transferred from one government agency to another agency shall be rated and ranked by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.
- (d) An employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least "Satisfactory" rating may be eligible to the full grant of the PBB.
- (e) An employee who rendered a minimum of three (3) months but less than nine (9) months of service and with at least "Satisfactory" rating shall be eligible for the grant of PBB on a pro-rata basis. The PBB of employees shall be pro-rated corresponding to the actual length of service rendered, as follows:

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 service requirement to be considered for PBB on a pro-rata basis:

- (a) Being a newly hired employee;
 - (b) Retirement;
 - (c) Resignation;
 - (d) Rehabilitation Leave;
 - (e) Maternity Leave and/or Paternity Leave;
 - (f) Vacation or Sick Leave with or without pay;
 - (g) Scholarship/Study Leave; and
 - (h) Sabbatical Leave
- (f) An employee who is on vacation or sick leave, with or without pay, for the entire year, is not eligible to the grant of the PBB.
- (g) Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2015 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- (h) Officials and employees who failed to submit the 2014 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015), shall not be entitled to the FY 2015 PBB.
- (i) Officials and employees who failed to liquidate Cash Advances received in 2015 within the reglementary period as stated in the prevailing COA Circular, shall not be entitled to the FY 2015 PBB.
- (j) Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2014 SALN to the respective SALN repository agencies as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015) and also liquidated 2015 Cash Advances, as this will be a basis for the release of FY 2015 PBB to individuals.

1.2. **Exclusions.** - Excluded from the grant of the PBB are the following:

1.2.1. Those hired without employer-employee relationships and paid from non-Personal Services appropriations / budgets as follows:

- (a) Consultants and experts hired to perform specific activities or services with expected outputs;
- (b) Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
- (c) Student laborers and apprentices; and
- (d) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

2. **DISTRIBUTION SYSTEM.** - Distribution of PBB among qualified Officers and Employees who have complied with the eligibility rules in Section 1 shall be in accordance with the following procedure:

2.1. **Grouping of Personnel** - In determining the distribution of the PBB among qualified Officers and Employees, all personnel shall be ranked on a percentile basis within their respective levels in accordance with the following guidelines:

- (a) **Senior Management:** This refers to the executive officers, and includes the Executive Vice President and all heads of Groups and Operating Units .

The President has the prerogative to avail of either the Performance-Based Incentive (PBI) under GCG MC No. 2015-06, or the PBB, but not both. In the event the President is included in the PBB application, he must meet the eligibility requirements for the PBI and shall be ranked separately on his own and shall not be included in the forced ranking of Officers and Employees.

- (b) **Middle Management:** This covers Department Managers of the Corporation.
- (c) **Professional and Supervisory:** This level comprises the Division Chiefs, lawyers, account officers and other technical staff.

(d) **Clerical/General Staff:** This category includes all clerical, administrative and secretarial staff such as executive assistants, private secretary, chauffer and legal researchers.

2.2. Distribution for Qualified Officers and Employees. - In each level provided for in Section 2.1, the ratings of Officers and Employees shall be quantified to allow for ranking on a percentile basis for the purpose of distribution as follows:

2.2.1. Under Profitable Operations. - The grant of the PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of the individual's monthly basic salary based on the table below, but not to exceed the ceilings computed by using the same multiple to twice the basic salary of the comparable NG position as provided in Annex A. Thus, the PBB shall be distributed as follows:

Percentile	Multiple
Top: Maximum 10%	2.50
Next: Maximum 25%	1.50
Remaining: Minimum 65%	1.00

**The percentile of the "Top" and "Next" levels are maximum figures with discretion on the part of the Governing Board/Management to decrease figures and distribute them to the "Remaining" level.*

Provided, that the total cost of the PBB shall not result in a net loss for CY 2015 computed before subsidy and unrealized gains/losses, and after taxes.

2.2.2. Under Losing Operations - The grant of PBB shall be based on the performance of individual Officers and Employees with the following fixed rate of incentive:

Percentile	Amount
Top: Maximum 10%	25,000
Next: Maximum 25%	15,000
Remaining: Minimum 65%	7,500

**The percentile of the "Top" and "Next" levels are maximum figures with discretion on the part of the Governing Board/Management to decrease figures and distribute them to the "Remaining" level.*