

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 276

**AUTHORIZING THE GRANT OF PRODUCTIVITY ENHANCEMENT
INCENTIVE FOR FY 2009**

WHEREAS, government employees have continued to serve the public with dedication and efficiency even amidst economic difficulties brought about by the global financial crisis as well as during natural adversities that devastated our country in the last quarter of 2009;

WHEREAS, in the past years, the commendable services of government employees were rewarded through the one-time grant of Performance Bonus;

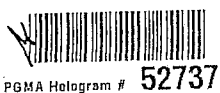
WHEREAS, the Senate and House of Representatives Joint Resolution No. 4 approved on June 17, 2009 authorizes the President of the Philippines to modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government;

WHEREAS, Item 4(h)(ii)(bb) of the foregoing Joint Resolution authorizes the President of the Philippines to grant Productivity Enhancement Incentive (PEI) for the personnel of the Executive Branch and Local Government Units (LGUs), as a form of incentive to motivate their efforts towards continued improved performance;

WHEREAS, the Department of Budget and Management (DBM) and the Civil Service Commission (CSC) jointly recommended the grant of PEI to government employees as an incentive for their contribution to improved productivity in their respective agencies.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Productivity Enhancement Incentive for Employees in the Executive Branch. Government employees in the Executive Branch, including those in government-owned or controlled corporations (GOCCs) and government financial institutions (GFIs), whether hired on permanent, temporary, casual, or contractual basis, are entitled to receive a one-time grant of a maximum of Ten Thousand Pesos (P10,000.00) each as Performance Enhancement Incentive (PEI), subject to the following conditions:



- a. Employees have rendered at least four (4) months of service for the year, as of November 30, 2009;
- b. Employees who have rendered less than four (4) months of service as of November 30, 2009, shall also be entitled to the PEI on a pro-rated basis as follows:

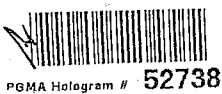
Length of Service	Percentage
3 months but less than 4 months	40%
2 months but less than 3 months	30%
1 month but less than 2 months	20%
Less than 1 month	10%

- c. Employees have not received any additional year-end benefit in FY 2009 over and above the benefit authorized under Republic Act (RA) No. 6686, as amended by RA No. 8441.

SECTION 2. Funding Source of the PEI for the Executive Branch.

Funds needed for the grant of the PEI to employees of the Executive Branch shall be charged against the following:

- a. For regular national government agencies, the amount required shall be charged against:
 - i. Savings from the unreleased appropriations under the FY 2009 budget which shall be pooled by the Department of Budget and Management (DBM) for the purpose to cover the additional funds to be released by the DBM in the amount of Seven Thousand Pesos (P7,000.00) for each personnel; and
 - ii. Savings in the respective agency allotment for the remaining Three Thousand Pesos (P3,000.00) for each personnel. In the event that the agency savings are insufficient to cover in full the remaining P3,000.00 per employee, partial implementation of the said benefit shall be made at a uniform rate for all qualified employees.
- b. For GOCCs and GFIs, the amount required shall be charged against the savings from their respective approved corporate operating budgets. A GOCC or GFI which does not have adequate or sufficient funds may partially implement the PEI at a uniform rate for all qualified employees.



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SECTION 3. PEI for Employees of LGUs. Employees in the local government units (LGUs) may also be granted PEI by their respective sanggunian, depending on the LGU financial capability, chargeable to local government funds, subject to the Personal Services limitation in their respective local government budgets under RA No. 7160 and subject further to the conditions in Section 1 hereof. The PEI shall be in lieu of the Additional Benefit/Extra Cash Gift authorized in previous years.

SECTION 4. PEI for Employees in the Legislative and Judicial Branches, and other Offices Vested with Fiscal Autonomy. Employees in the Senate, House of Representatives, the Judiciary, the Office of the Ombudsman, and Constitutional Offices vested with fiscal autonomy may likewise be granted PEI by their respective heads of office at rates not exceeding the amount of Ten Thousand Pesos (P10,000.00), chargeable against their respective available savings in allotment, subject to the conditions in Section 1 hereof.

SECTION 5. Payment of the PEI. The payment of the PEI to all government employees shall be made immediately.

SECTION 6. Guidelines in the Release of Funds for the Purpose. The DBM shall issue the necessary guidelines for the funding requirements to implement this Administrative Order.

SECTION 7. Effectivity. This Administrative Order shall take effect immediately.

DONE in the City of Manila, this 15th day of December in the year of Our Lord, Two Thousand and Nine.

Gloria M. Araya

By the President:

Eduardo R. Ermita
EDUARDO R. ERMITA
Executive Secretary



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