REVENUE MEMORANDUM CIRCULAR NO. 54-2022 issued on April 25, 2022 publishes the full text of the Inter-Agency Task Force (IATF) Memorandum Circular (MC) No. 2022-1 issued by the Secretary of Department of Budget and Management (DBM) and Chairman of Administrative (AO) 25 IATF, titled "Guidelines on the Grant of the Performance-Based Bonus (PBB) for the Fiscal Year (FY) 2022 under Executive Order (EO) No. 80, s. 2012 and EO No. 201, s. 2016".

The FY 2022 PBB covers all departments, bureaus, offices, and other agencies of the National Government, including Constitutional Commissions, Other Executive Offices (OEOs), Congress, the Judiciary, State Universities and Colleges (SUCs), Government-Owned or-Controlled Corporations (GOCCs), Local Water Districts (LWDs), and Local Government Units (LGUs).

All personnel of agencies holding regular, contractual, and casual positions are covered by the Circular. Excluded from the coverage are individuals engaged without employer-employee relationship and funded from non-Personnel Services budget.

To be eligible for the grant of FY 2022 PBB, each agency must satisfy the criteria and conditions under the four (4) dimensions of accountability, namely: **Performance Results, Process Results, Financial Results and Citizen/Client Satisfaction Results** and attain a total score of at least 70 points, and achieve at least a rating of 4 for at least three (3) criteria based on the PBB Scoring System.

a. Performance Results refer to the accomplishment of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2022 General Appropriations Act (GAA).
b. Process Results refer to the achievements in ease of doing business/ease of transaction with the agency as a result of streamlining, standardization e.g., through the ISO-certified QMS or its equivalent, digitization, systems and procedures reengineering, and other related improvements.
c. Financial Results refer to the actual spending of the agency's budget allotment vis-a-vis the realization of the committed programs and projects based on the FY 2022 GAA.
d. Citizen/Client Satisfaction Results refer to the achievements in satisfying the quality expectations of the transacting public/client.

The agency 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 the table below. The maximum score that may be obtained by the agency is 100 points. To be eligible for the FY 2022 PBB, the agency must attain a total score of at least 70 points, and achieve at least a rating of 4 for at least three (3) criteria.

TABLE 1: FY 2022 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 points	10 points	15 points	20 points	25 points
Financial Results	5	5 points	10 points	15 points	20 points	25 points
Citizen/Client Satisfaction Results	5	5 points	10 points	15 points	20 points	25 points

A performance rating of 4 in all criteria will yield a total score of 80 points for the agency. In case the agency fails to meet a rating of 4 in at least three (3) criteria, the unit most responsible

(including its head) for the criteria with a performance rating of below 4 will be isolated from the grant of the FY 2022 PBB.

For FY 2022 PBB, the Agency Accountability Requirements are retained and shall be used as the basis in determining the eligibility of responsible units and individuals. To sustain the institutionalization of compliance to existing government-mandated laws and standards, agencies and their Performance Management Team (PMT) shall continue to implement, monitor and enforce compliance with the following requirements within their agencies:

TABLE 6: AGENCY ACCOUNTABILITIES	
Existing Agency Accountabilities	a. Updating of Transparency Seal b. Compliance to Audit Findings and Liquidation of Cash Advances c. Compliance with the Freedom of Information (FOI) Program d. Submission and Review of Statement of Assets, Liabilities, and Net Worth (SALN) e. PhilGEPS posting of all invitations to bids and awarded contracts f. FY 2022 Non-Common Use Supplies and Equipment (APP-non CSE) g. Posting of Indicative FY 2023 APP-non CSE h. FY 2023 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE) i. Results of FY 2021 Agency Procurement Compliance and Performance Indicators (APCPI) System j. Undertaking of Early Procurement Activities covering FY 2023 Procurement Projects
New Agency Accountabilities beginning FY 2022 PBB	k. Designation of the Agency's Committee on Anti-Red Tape (CART) l. Compliance with the National Competition Policy (NCP)

While the above-mentioned conditions are no longer required in determining the overall PBB eligibility of agencies, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. Agencies should submit these legal requirements directly to the validating agencies.

For FY 2022 PBB, similar to FY 2021 PBB, the delivery units (DUs) of eligible agencies shall no longer be ranked. However, the unit/s most responsible for deficiencies shall be isolated.

Per Section 3.0 of the Memorandum Circular, the unit/s most responsible (including its head) for the criteria with a performance rating of below 4 will be isolated from the grant of the FY 2022 PBB. The unit/s most responsible (including its head) for the non-compliance with the Agency Accountabilities provided in Section 5.0 of the Circular shall also be isolated from the grant of the FY 2022 PBB.

Eligible Delivery Units shall be granted FY 2022 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. To be eligible for FY 2022 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least "Very Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the Career Executive Service Board (CESB).

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. Personnel who transferred from one government agency to another agency shall be included 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.

Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB shall be rated by the agency where he/she served the longest; the official/employee shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.12 of the Memorandum Circular.

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. An official or employee who rendered less than nine (9) months but a minimum of three (3) months of 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 service rendered, as follows:

TABLE 7: 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 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/or
h. Sabbatical Leave.

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. Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2022 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.

Officials and employees who failed to submit the 2021 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2022 PBB.

Officials and employees who failed to liquidate all cash advances received in FY 2022 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997, and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2022 PBB.

The total score as stated in Section 4.0 of the Memorandum Circular shall be the basis in 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 100% of the 65% MBS of an individual as of December 31, 2022.

The timelines for the submission and posting of the reports and requirements for the grant of the FY 2022 PBB are specified in Section 8.0 of the Memorandum Circular.