



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

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CORPORATE ORDER
 No. 2018-0060

SUBJECT: GRANT OF PERFORMANCE-BASED BONUS FOR CY 2017 AND YEARS THEREAFTER

I. LEGAL BASIS

The Governance Commission for Government Owned or Controlled Corporations (GCG) Memorandum Circular (MC) No. 2018-01 dated January 31, 2018 "Amendments to the Interim Performance-Based Bonus PBB" provides for the guidelines on the grant of the Interim Performance-Based Bonus (PBB) to Government Owned or Controlled Corporations (GOCCs) for CY 2017 and years thereafter.

II. COVERAGE

All official and employees of the Corporation occupying regular or casual positions with at least a "Satisfactory" rating under the Strategic Performance Management System (SPMS) and who, for the year ending 31 December 2017, have either:

- a) A minimum of three (3) months but less than nine (9) months of service; or
- b) An aggregate of at least nine (9) months of service.

III. EXCLUSIONS

Excluded from the grant of the PBB are the following personnel of the Corporation:

- a) Those hired without employer-employee relationships and paid from non-Personal Services appropriations/budgets, i.e job order contractors, consultants, student laborers and apprentices;
- b) An employee who is on vacation or sick leave, with or without pay, for the entire applicable year;
- c) Personnel found guilty of administrative and/or criminal cases in the applicable year by formal and executory judgment 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.

In case of a finding of guilt in the CY 2017 but the concerned personnel has filed a motion for reconsideration or an appeal, resolution thereon should result in the dismissal of the case or a reduction of penalty to reprimand to be entitled to the PBB. The PBB of the concerned personnel shall be withheld pending the resolution of his/her motion for reconsideration or appeal;

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- d) Officials and employees who failed to submit the 2017 Statement of Asset and Liabilities and Net Worth (SALN);
- e) Officials and employees who failed to liquidate Cash Advances received in 2017 within one (1) month from issuance of this Order;
- f) Those with less than three (3) months of service;
- g) Those who were on study leave for more than nine (9) months during the year; and
- h) The President/Chief Executive officer if he/she opts to avail himself/herself of the Performance-Based Incentive (PBI) under GCG MC No. 2017-02 instead of the PBB under GCG MC No. 2017-01.

IV. RULES AND REGULATIONS

- a) For purposes of the CY 2017 Interim PBB and compliance with the grouping requirement of GCG MC No. 2017-01, the following shall be the Groupings of personnel with corresponding salary grades distribution:

Grouping	Salary Grades Distribution
Senior Management	26-30
Middle Management	18-25
Professional	11-17
Clerical/General Staff	1-10

- b) The Senior Management Grouping shall include the executive and managerial officers of the Corporation, including the technical staff holding positions assigned with SG 26 or above, as the Head Executive Staff under the Office of the Chairman and the Attorney VI under the Office of the Corporate Secretary, for purposes of forced ranking.

- c) For the regular personnel in the Central Office under the other Groupings provided in Item IV (a) hereof, except those under Senior Management Grouping, the forced ranking shall be by the following grouping, namely: (1) Actuarial Services and Risk Management Sector (ASRMS) and Information Management Sector; (2) Fund Management Sector; (3) Health Finance Policy Sector, including the Member Management Group and the immediate staff of the Office of the COO/EVP; (4) Legal Sector; (5) Management Services Sector; and (6) Office of the President and

- d) For the regular personnel in the PROs under the other Groupings provided in Item IV (a) hereof, except those under the Senior Management Grouping, the forced ranking shall be by Area, namely; (1) Area 1; (2) Area 2; (3) Area 3; and (4) Area 4. For this purpose, the immediate staff shall be included in their respective Area.

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- e) For regular personnel, with multiple re-assignments in a given year, they shall be ranked in the office where they served the longest or, if equal periods, in the office where they were assigned as of December 31, 2017.
- f) For the casual personnel, they shall be ranked separately with the regular personnel. Forced ranking shall be by straight corporate wide to maximize the percentage ceiling in the distribution of the PBB under Item IV (j) hereof.
- g) Personnel on detail to another government 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.
- h) 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.
- i) 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 said 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 (9) months actual service requirement to be considered for PBB on a pro-rata basis;

1. Being a newly hired employee;
2. Retirement;
3. Resignation;
4. Rehabilitation Leave;
5. Maternity Leave and/or Paternity Leave;
6. Vacation or Sick Leave with or without pay;
7. Scholarship/Study Leave;
8. Sabbatical Leave; and
9. Other leaves provided for by law.

j) The grant of the PBB shall be based on the performance (SPMS rating plus attendance record) of the individual officers and employees with the rate of incentive as a multiple of the individual's monthly basic salary (MBS) as of December 31 of the applicable year and percentage based on the table below:

Percentile	PBB as % of MBS
Top: Maximum 10%	65.0%
Next: Maximum 25%	57.5%
Remaining: Minimum 65%	50.0%

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In the determination of the percentile distribution as provided above, the authorized number of positions shall be utilized for each Grouping. For this purpose, such number may increase should there be two or more personnel who have been appointed to the same position and performed the functions thereof on separate periods of at least three (3) months in a given year. Below is an illustrative example for the Senior Management Grouping:

“Mr. A assumed the position of SVP for FMS (SG 28) on 28 November 2016 but mandatorily retired on 01 April 2017. Mr. B was thereafter seconded to said position from 06 April 2017 but resigned on 14 July 2017 to join the private sector. Mr. C was appointed to the said vacant position on 16 September 2017. In this case, all three of them shall be entitled to the PBB on a pro rata basis for CY 2017 since they all served for at least three (3) months each.”

The Top: Maximum 10% in the Senior Management Grouping shall be distributed according to the most equitable method. For CY 2017, three (3) shall be allocated for Central Office, and one (1) each for Area I, II, III and IV. Hence, the personnel who obtained the top three (3) highest combined ratings (SPMS and attendance record) in the Central Office, and the personnel who received such highest combined ratings in each Area shall comprise the Top: Maximum 10% of the Senior Management Grouping.

The Next: Maximum 25% in the Senior Management Grouping shall be proportionately distributed. For CY 2017, eleven (11) shall be allocated for the Central Office and six (6) to the four (4) Areas. Thus, the personnel who obtained the next eleven (11) highest combined ratings (after the Top: Maximum 10%) in Central Office, and the personnel who received the next six (6) highest combined ratings among all the officers in the Areas shall comprise the Next: Maximum 25%.

The other remaining personnel in the Senior Management Grouping or those who are not in the Top: Maximum 10% and the Next: Maximum 25% shall consist of the Remaining: Minimum 65%.

- k) As per Board Directive, the final basic salary (old rate or adjusted rate) to be used for the purpose shall be decided by the Governance Commission for GOCCs (GCG).
- l) For personnel holding SG 25 position and below, the basis of their ranking, shall be their ratings under the SPMS plus attendance and punctuality records in CY 2017, to wit:

SPMS Rating	-	80%
Attendance	-	10%
Punctuality	-	10%

For this purpose, the PRO Human Resource Units (HRUs) shall submit to Human Resource Department (HRD) the summary of the attendance and punctuality records of their personnel for the covered period.

See attached Annex “A” for the details of attendance and punctuality record to be considered and the corresponding rating assignment.

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m) For the personnel holding SG 26 position and above, the basis of their ranking shall be the ratings under the SPMS plus attendance record in CY 2017, to wit:

SPMS Rating -	80%
Attendance -	20%

n) Other personnel holding positions below SG 26 who are not required to record their attendance using the bundy clock or finger scan kiosk shall likewise be forced ranked using the same basis provided under item No. IV (m) hereof.

For this purpose, the PRO Human Resource Units (HRUs) shall submit to HRD the summary of the attendance records of such personnel for the covered period.

See attached Annex "B" for the details of attendance record to be considered and the corresponding rating assignment.

o) For employees designated as OIC, the basis of their forced ranking shall be either that provided under Item IV (l) or Item IV (m) above depending on the SG level of their appointed plantilla position.

p) For officers and personnel whose SG belongs to a lower Grouping but designated as OIC to a position in the higher Grouping, the following points shall be added to their performance rating (SPMS rating only) as premium for performing a higher function with more accountability than their appointed plantilla position taking into consideration the total length or period of such OIC designation in CY 2017:

Three (3) months but less than six (6) months	-	5.00
Six (6) months but less than nine (9) months	-	10.00
Nine (9) months but less than one (1) year	-	15.00
One (1) year	-	20.00

Example: Mr. A holds the position of Social Insurance Officer II (SG 13). He was designated as OIC – Head of LHIO, which position is Chief Social Insurance Officer (SG 22+), for ten (10) months in CY 2017. Mr. A will be given an additional 15 points to his performance rating under the SPMS for purposes of forced ranking, as his appointed plantilla position and designated position belong to different Groupings, that is, Professional/Supervisory and Middle Management, respectively.

For officers and personnel who are designated as OIC to a position belonging to the same Grouping as their regular plantilla position, the following points shall be added to their performance rating (SPMS rating only) as premium for performing a higher function with more accountability than their appointed plantilla position taking into consideration the total length or period of such OIC designation in CY 2017:

Three (3) months but less than six (6) months	-	2.50
Six (6) months but less than nine (9) months	-	5.00
Nine (9) months but less than one (1) year	-	7.50
One (1) year	-	10.00

Example: Mr. B holds the position of Planning Officer IV (SG 22). He was designated as OIC – Division Chief, which position is Division Chief (SG 24), for

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the entire year in CY 2017. Mr. B will be given an additional 10 points to his performance rating under the SPMS for purposes of forced ranking, as his appointed plantilla position and designated position belong to the same Grouping, that is, Middle Management.

- q) For officers and personnel on study leave, their attendance and/or punctuality record outside of the period of their study leave during the year shall be considered under Item IV (l) or Item IV (m) above.
- r) Official and employees with no complete final performance rating submitted to the HRD on or before February 20, 2018 shall be included under the "Minimum 65%".

However, in the case of those who have not submitted their performance rating before or at the time of the grant of the PBB, the release of the PBB shall be withheld pending submission of the final performance rating with justification. For entitlement to PBB, such personnel will have until one (1) month after the date of release of PBB to submit their performance rating, otherwise the PBB shall be forfeited.

No adjustment shall be made on the amount of the PBB of those who submitted their performance rating after the date provided under the first paragraph hereof or within the one (1) month period set under the second paragraph hereof. Nonetheless, their performance rating reflected under the SPMS shall be their actual performance rating for purposes other than the forced ranking for PBB grant.

- s) To maximize the percentage ceiling in the distribution of the PBB as provided under Item (j) hereof, the performance rating of officers and personnel up to three (3) decimal places shall as far as practicable be considered .
- t) In case of a change in the performance rating in an appeal filed or issue presented before the Performance Management Team (PMT), the same shall not result in or require an adjustment of the schedule of forced ranking distribution submitted to GCG. The budgetary requirement for additional amount in the PBB of concerned personnel whose rating is favorably adjusted, based on the decision of the PMT, shall be sourced from the unused portion of the appropriation for PBB grant approved by the PhilHealth Board.
- u) The summary of rating and schedule of the performance ranking of eligible officials and employees, to be submitted to GCG on or before the set deadline, shall be used in the processing and generation of the requisite payrolls after receipt of authorization from the GCG.

v) The Comptrollership Department shall ensure that the total cost of the PBB for the period covered shall not exceed the amount that has been approved by the PhilHealth Board in an appropriate Resolution. A report on the actual disbursement of funds for the PBB shall be submitted by the Comptrollership Department to the PhilHealth Board.

w) The Information Technology and Management Department (ITMD) shall ensure the simultaneous processing of the requisite payrolls for PBB grant in both the Central and Regional Offices.

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- x) The PBB for the applicable year shall, as far as practicable, be received by qualified officials and employees within two (2) weeks from receipt of authorization from the GCG.
- y) All issues arising from this Order shall be referred to the Performance Management Team (PMT) to be composed of the Senior Vice President for Management Services Sector as Chairperson for proper resolution.

If the final decision/resolution of the PMT requires an increase in the amount of PBB which the officer or personnel has received, the same shall not result in the adjustment of the schedule of forced ranking distribution submitted to GCG. The budgetary requirement for additional amount in the PBB of said officer or personnel shall be sourced from the unused portion of the appropriation for PBB grant approved by the PhilHealth Board.

The PMT shall decide or resolve the issue within a maximum period of three (3) months from referral thereto or receipt thereof. The decision of the PMT shall be final and un-appealable. No motion for reconsideration shall be entertained.

V. FUNDING SOURCE

The funding to support the PBB authorized hereunder shall be charged against the COB of the immediate preceding year subject to Item 4.2.3 of GCG Memorandum Circular No. 2018-01 and applicable accounting and auditing rules and regulations.

DR. ROY B. FERRER
Acting President and CEO

Date signed: AUGUST 16, 2018

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ANNEX A

I. ATTENDANCE

PARTICULARS	PERCENTAGE	EQUIVALENT RAW SCORE
Perfect Attendance (excluding the 5 days forced leave, 8 days SPL, maternity or paternity leave, sick leave, solo parents leave, special leave under the Magna Carta for Women, calamity leave, OBS and CTO)	100%	(130.00)
Average of one (1) day leave a month	80%	(104.00)
Average of two (2) days leave a month	60%	(78.00)
Average of three (3) days leave a month	40%	(52.00)
Average of four (4) days leave a month	20%	(26.00)
Average of five (5) days leave a month	0%	(0.00)

II. PUNCTUALITY

PARTICULARS	PERCENTAGE	EQUIVALENT RAW SCORE
No late, tardiness, half days and undertime	100%	(130.00)
Average of three (3) tardiness, etc. a month	80%	(104.00)
Average of five (5) tardiness, etc. a month	60%	(78.00)
Average of seven (7) tardiness, etc. a month	40%	(52.00)
Average of nine (9) tardiness, etc. a month	20%	(26.00)
Average of ten (10) or more tardiness, etc. a month	0%	(0.00)

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ANNEX B

III. ATTENDANCE

PARTICULARS	PERCENTAGE	EQUIVALENT RAW SCORE
Perfect Attendance (excluding the 5 days forced leave, 8 days SPL, maternity or paternity leave, sick leave, solo parents leave, special leave under the Magna Carta for Women, calamity leave, OBS and CTO)	100%	(130.00)
Average of one (1) day leave a month	80%	(104.00)
Average of two (2) days leave a month	60%	(78.00)
Average of three (3) days leave a month	40%	(52.00)
Average of four (4) days leave a month	20%	(26.00)
Average of five (5) days leave a month	0%	(0.00)

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