

Philippine Mining Development Corporation (PMDC)	Subject: Guidelines in the Ranking and distribution of the 2019 Performance-Based Bonus (PBB)	Policy Number Issued in 2019-03 Version No: 01	Date: September 13, 2019
			Pages: 5

LEGAL BASIS

GCG MEMORANDUM CIRCULAR NO. 2019-02

COVERAGE

All Officers and Employees of PMDCs who occupy regular, casual or contractual positions.

GUIDELINES

A. Eligibility of the Grant of Performance-Based Bonus (PBB)

1. PMDC shall be eligible for the grant of PBB if it has obtained a weighted-average score of at least 90% of its 2019 Performance Scorecard as approved by the Governance Commission for Government Owned or Controlled Corporations (GCG);
2. Satisfy 100% of the Good Governance Conditions with the following conditions:
 - a. Satisfied all statutory liabilities, including: i) payment of all taxes due to the Government as certified/validated by the Bureau of Internal Revenue; ii) declaration and payment of all dividends to the State as of the end of the applicable year, whenever applicable, as certified/validated by the Department of Finance (DOF); iii) payment of National Government Advances as certified/validated by the Department of Finance (DOF); iv) remittance of mandatory contributions as certified by GSIS or SSS, Pag-ibig, and Philhealth.
 - b. Maintain/update and implement the GOCC's "Manual of Corporate Governance" and "No Gift Policy" as approved by the GCG and uploaded at the PMDC's website and amendments thereto;
 - c. Compliance with all the requirements mentioned in the "Revised Whistleblowing Policy for the GOCC Sector and amendments thereto";
 - d. Compliance with the Executive Order on Freedom of Information: Executive Order No. 2 s. 2016; and;
 - e. Compliance with posting on the GOCC's website the information enumerated under Section 43 of "Code of Corporate Governance for GOCCs and amendments thereto; and
3. Other conditions and Requirements (OCRs)
 - a. Maintain and/or attain certification on the GOCC's Quality Management System;
 - b. Timely submission of Annual Procurement Plan (APP) pursuant to applicable rules and regulations;

- c. Timely submission of Corporate Operating Budgets (COBs) to the Department of Budget and Management (DBM);
- d. Implementation of the prior year's audit recommendations, submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it was received from the Commission on Audit (COA), all written communications between the PMDC and COA on such matters, which shall include, but not limited to, concrete and time bound action plans for addressing the audit observations and notices of disallowance;
- e. Compliance and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to the policies and guidelines and amendments thereto;
- f. Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to the "Performance Evaluation for Director (PED) and amendments thereto.

Officials and employees responsible for the compliance and implementation of the OCRs, shall not be entitled to the PBB for the applicable year if the GOCC fails to comply with any of these requirements.

B. Eligibility of Individual Officers and Employees

- 1. Employees belonging to the First, Second and Third Levels should receive a rating of at least "Satisfactory" based on PMDC's Performance Management System (PMS).
- 2. 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.
- 3. Officials and employees who transferred from one government agency to another agency 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 PBB on a pro-rata basis corresponding to the actual length of service to the participating agency, as stated below.
- 4. 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.
- 5. 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;
 - (h) Sabbatical Leave; and
 - (i) Other leaves provided for by law.
6. 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.
 7. Personnel found guilty of administrative and/or criminal cases in the applicable year by formal and executory judgement 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.
 8. Officials and employees who failed to timely submit the latest Statement of Assets, Liabilities, and Net Worth (SALN) as prescribed in the rules; 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 PBB of the applicable year.
 9. Officials and employees who failed to liquidate all Cash Advances received in the applicable year within the reglementary period as stated in the prevailing COA Circular, shall not be entitled to the PBB for the same year.
 10. Officials and employees who failed to submit their complete PMS forms, shall not be entitled to the PBB of the applicable year.

C. EXCLUSIONS

Excluded from the grant of the PBB are 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.

D. DISTRIBUTION SYTEM

The CEO should ensure that only eligible and qualified Distribution of PBB among qualified officers and employees are included in the rating and ranking to be submitted to GCG. Distribution of PBB among qualified officers and employees of a GOCC who have complied with the conditions above shall be in accordance with the following procedure:

1. **Grouping of Personnel** - In determining the distribution of the PBB among qualified PMDC Officers and Employees, all personnel shall be ranked on a percentile basis within their respective levels as determined by the PMDC Governing Board through Management in accordance with the following guidelines:

(a) **Senior Management:** This refers to the executive officers of the PMDC, and includes all heads of functional units, which are primarily involved in the development, evolution, and approval of long-term vision across a function or area of specialization. It includes those who lead the development of function strategy, implement and maintain policies of the organization for area of responsibility. (e.g., Deputy Administrator, Sr. Deputy Administrator, Assistant General Manager, Executive Vice President, Sr. Vice President, Vice President, etc.)

The President/CEO, or whoever is the highest ranking executive officer, has the prerogative to avail of either the Performance-Based Incentive (PBI) under GCG M.C. No. 2018-04, or the PBB, but not both. In the event the CEO is included in the PBB application, he/she must meet the eligibility requirements for the PBI and shall be ranked separately on his/her own and shall not be included in the forced ranking of Officers and Employees.

(b) **Middle Management:** This covers those whose work is primarily achieved through others, with direct accountability for setting direction and deploying resources. Responsible for people management, including performance evaluation and pay reviews and typically hire/fire decisions. Includes individual contributors who are recognized as subject matter experts with in-depth technical knowledge, project management and significant influence skills in area of expertise (e.g., Head of Department or Service).

(c) **Professional and Supervisory:** This level comprises the personnel whose work is primarily achieved by an individual or through project teams. Requires the application of expertise in professional or technical area(s) to achieve results. Typically has a university degree or equivalent work experience that provides knowledge and exposure to fundamental theories, principles and concepts. Includes supervisors and junior management that may not have full management authority (e.g., Financial Analyst/specialists, Accountant, HR Officer, etc.)

(d) **Clerical/General Staff:** This category includes all clerical, administrative and secretarial staff with little or no supervisory responsibility but who contribute independently to the organization. It also covers basic computing/data processing staff such as operators, customer service assistants and skilled craftsmen/technicians (e.g., Secretary, Clerk, Finance Processor, Administrative Assistant, Chauffeur, Utility Worker, Messenger).

E. Distribution for Qualified Officers and Employees. - In each level provided for in Grouping of Personnel above, the ratings of Officers and Employees under the PMDC's Performance Management System or shall be quantified to allow for ranking on a percentile basis for the purpose of distribution as follows:

1. **Rates of PBB.** - 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 (MBS) as of 31 December of the applicable year based on the table below, but not lower than P5,000:

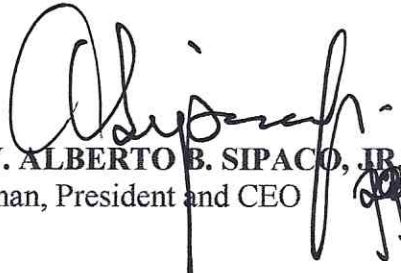
Percentile	PBB as of % MBS
Top: Maximum 10%	65.0%
Next: Maximum 25%	57.5%
Remaining: Minimum 65%	50.0%

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

2. **Posting of the System of Ranking Individuals.** – PMDC shall post in their respective Transparency Seals the guidelines/mechanism in ranking the officers and employees according to the mechanism herein stated.

F. Release of PBB. – The Board of Directors shall ensure that the PBB will only be released to eligible and qualified officers and employees only upon the receipt of the authorization letter from the GCG.

For strict compliance.


ATTY. ALBERTO B. SIPACO, JR.
Chairman, President and CEO