

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 263

**AUTHORIZING THE GRANT OF ANNIVERSARY BONUS TO OFFICIALS
AND EMPLOYEES OF GOVERNMENT ENTITIES**

WHEREAS, certain Government Financial Institutions (GFIs) have been authorized to celebrate and commemorate milestone anniversaries with the traditional grant of Anniversary Bonus to their officials and employees;

WHEREAS, the government deems it desirable and fitting to commemorate milestone anniversaries of GOCCs, GFIs, and national government agencies as well by way of granting anniversary bonus to their employees;

WHEREAS, the grant of anniversary bonus on the occasion of milestone years of government agencies will directly improve and enhance employee morale consistent with Section 36(2), Chapter 5, Subtitle A, Title I, Book V of Executive Order No. 292, the Administrative Code of 1987;

WHEREAS, there is a need to regulate the grant of such benefit by adopting a uniform scheme for its implementation to ensure fairness and equity and to conform with the policy of standardization of compensation enunciated under Republic Act No. 6758;

WHEREAS, Section 17, Article VII of the 1987 Constitution vests in the President of the Philippines prerogatives which include, among others the determination of the rates, timing and schedule of payment, and final authority to commit limited resources of government for the payment of personnel incentives, cash rewards, bonuses and other forms of additional compensation and fringe benefits to government personnel.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby order the grant of Anniversary Bonus in accordance with the rules prescribed hereunder:

1.0 Coverage/Exemption.

- 1.1 All government personnel whether employed on a full-time or regular, part-time basis or under permanent, temporary or casual status, and contractual personnel

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whose employment is in the nature of a regular employee, who have been appointed as such in a specific government entity by virtue of a valid appointment and continue to be employed in the same government entity as of the occasion of its milestone anniversary, shall be entitled to the anniversary bonus.

- 1.2 Government personnel who have been found guilty of any offense in connection with their work during the five-year interval between milestone years, as defined in 2.5 herein, shall not be entitled to the immediately succeeding anniversary bonus.

2.0 Rules and Regulations.

- 2.1 "Government entities" shall refer to departments, bureaus, offices, commissions and similar bodies of the national government, including GOCCs and GFIs; provided that staff bureaus or entities which form part of the organization structure of departments or offices shall be deemed absorbed by the latter and shall not be treated as a separate agency.
- 2.2 A frontline bureau or entity created as such under a distinct enabling act or law and, thus, deemed as an institution in its own right shall be considered a distinct and separate agency for purposes of this benefit notwithstanding that fact that it had since been organizationally integrated with a department or office.
- 2.3 The Anniversary Bonus authorized under this Order shall be granted only during milestone years.
- 2.4 A milestone year refers to the 15th anniversary and to every fifth year thereafter.
- 2.5 Payment of the Anniversary Bonus shall be in an amount not exceeding ₱3,000.00 each employee provided that the employee has rendered at least one (1) year service in the same agency as of the date of the milestone year.
 - 2.5.1 In case of insufficiency of funds, the government entity concerned may grant the benefit at a rate lower than that prescribed herein, provided that

such rate shall be uniformly applied to all its officials and employee.

- 2.6 An employee may receive Anniversary Bonus only once every five years, regardless of transfers from one government entity to another.
- 2.7 Government entities which have already passed a milestone year as defined herein prior to the effectivity of this Order without previously granting an anniversary bonus or a similar incentive may grant the Anniversary Bonus therefor in 1996 subject to the same conditions specified herein.
- 2.8 No other bonus or allowance or whatever name it may be called of similar nature which relate to or in connection with an entity's anniversary shall be granted.
- 2.9 Existing administrative authorizations granting similar benefits to specific government entities are hereby revoked and superseded by this authorization.

3.0 *Funding Source.*

The cost of implementing the benefit under this Order shall be sourced strictly from savings from released allotment for current operating expenditures provided that all authorized mandatory expenses shall have been paid first. For government-owned and/or -controlled corporations and government financial institutions the amount shall be charged against their respective corporate funds.

4.0 *Responsibility of the Agency Head.*

The heads of concerned government entities shall be held responsible and personally liable for any payment of Anniversary Bonus not in accordance with the provisions of this Order, without prejudice to the refund of any excess payment by the employee concerned.

5.0 *Savings Clause.*

Cases not covered by the provisions of this Order shall be submitted to the Secretary of Budget and Management for appropriate evaluation and recommendation to the Office of the President.

6.0 Effectivity.

This Order shall take effect immediately.

DONE in the City of Manila, this 28th day of March in
the year of Our Lord, Nineteen Hundred and Ninety-Six.



By the President:



RUBEN D. TORRES
Executive Secretary