

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 24

**AUTHORIZING THE GRANT OF PRODUCTIVITY ENHANCEMENT  
INCENTIVE TO GOVERNMENT EMPLOYEES FOR FISCAL YEAR 2011**

**WHEREAS**, the current Administration in FY 2011 has kept fiscal deficit way below target by improving revenue collection, exercising prudent expenditure management, and promoting transparency and anti-corrupt practices in government transactions;

**WHEREAS**, the government has gained significant headway in channeling funds towards poverty alleviation, provision of quality education and health services, provision of decent and affordable housing, promotion of employment opportunities, improvement of infrastructure, and fostering peace and development;

**WHEREAS**, the government is implementing vigorously a Disbursement Acceleration Program to speed up the momentum of public spending and stave off an economic slowdown in the face of a weak global environment;

**WHEREAS**, these accomplishments are being achieved through the unwavering support, commitment, and collaborative efforts of all government employees from all sectors and levels of Philippine bureaucracy;

**WHEREAS**, item (4)(h)(ii) of the Senate and House of Representatives Joint Resolution No. 4, approved on 17 June 2009, provides for the grant of Productivity Enhancement Incentive (PEI) as a reward for exceeding agency financial and operational performance targets and to motivate employee efforts towards higher productivity; and

**WHEREAS**, item (4)(h)(ii)(bb) of the same Joint Resolution provides that the PEI may be authorized at the end of the year by the President of the Philippines for the Executive Branch and local government units (LGUs).

**NOW, THEREFORE, I, BENIGNO S. AQUINO III**, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**SECTION 1. Grant of PEI to Employees in the Executive Branch.** Civilian employees in national government agencies (NGAs) under the Executive Branch, including those in government-owned or -controlled corporations (GOCCs) and government financial institutions (GFIs) covered by Republic Act



(RA) No. 6758, as amended, are authorized to be granted a one-time maximum amount of Ten Thousand Pesos (P10,000.00) each as PEI. The grant thereof is subject to the following conditions:

- a) The employees occupy regular, casual or contractual positions, and are still in service as of 30 November 2011.
- b) The employees have rendered at least four (4) months of service for the year to be entitled to the full amount of the PEI. Those who have rendered less than four (4) months of service shall be entitled to pro-rated PEI, as follows:

Length of Service	Percentage of the PEI
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) The employees have not received any additional year-end benefit in FY 2011 over and above the benefit authorized under RA No. 6686, as amended by RA No. 8441.

Military personnel of the Armed Forces of the Philippines (AFP), Department of National Defense (DND), uniformed personnel of the Philippine National Police (PNP), Bureau of Fire Protection (BFP), and Bureau of Jail Management and Penology (BJMP) under the Department of the Interior and Local Government (DILG); Philippine Coast Guard (PCG); and National Mapping and Resource Information Authority (NAMRIA) are also entitled to the PEI in line with item (8) of the Senate and House of Representatives Resolution No. 4 (s. 2009).

**SECTION 2. Funding Source of the PEI for Employees in the Executive Branch.** Funds needed for the grant of the PEI to employees in NGAs under the Executive Branch and in GOCCs and GFIs, shall be charged against the following:

- a) For employees of NGAs, their PEI shall be charged against the amount appropriated for the purpose under the Miscellaneous Personnel Benefits Fund (MPBF) in RA No. 10147, the FY 2011 General Appropriation Act, as augmented by savings from unreleased appropriations under RA No. 10147.
- b) For employees of GOCCs and GFIs, the amount required shall be charged against their respective approved corporate operating budgets for





FY 2011. In case of insufficiency of funds, the PEI shall be granted at a lower but uniform percentage of the PEI rates.

**SECTION 3. PEI for Employees in the Legislative and Judicial Branches, and Other Offices Vested with Fiscal Autonomy.** Employees of the Senate, House of Representatives, the Judiciary, the Office of the Ombudsman, and Constitutional Offices vested with fiscal autonomy may likewise be granted a one-time PEI by their respective heads of office at rates not exceeding Ten Thousand Pesos (P10,000.00) each, chargeable against their respective available savings in allotments, subject to the conditions set in Section 1 (a), (b) and (c) hereof.

**SECTION 4. PEI for Employees in LGUs.** The grant of one-time PEI for salaried employees in LGUs, including those in *barangay* governments who are compensated through monthly honoraria, shall be determined by the respective *sanggunian*, depending on the LGU financial capability and subject to: (i) the Personal Services limitation in LGU budgets under RA No. 7160, and (ii) the conditions in Section 1 (a), (b) and (c) hereof, chargeable against the FY 2011 local government funds.

LGUs shall exercise prudence in the use of local funds. In determining the amount of the PEI, the *sanggunian* shall ensure that the same is reasonable and that the expenditure will not, in any way, adversely affect the delivery of services to the public.

**SECTION 5. PEI for Employees in Agencies Exempted from the Coverage of RA No. 6758, as amended.** Employees in NGAs, GOCCs, and GFIs exempted from the coverage of RA No. 6758, as amended, may also be entitled to the PEI at rates as may be determined by their governing boards or agency heads, but not exceeding Ten Thousand Pesos (P10,000.00) each, chargeable against their respective funds, in line with item (9) of the Senate and House of Representatives Joint Resolution No. 4 (s. 2009).

**SECTION 6. Payment of PEI.** Payment of the PEI to government employees shall not be made earlier than 08 December 2011.

**SECTION 7. Guidelines on the Grant of the PEI.** The Department of Budget and Management (DBM) shall issue the necessary guidelines to implement this Administrative Order.

**SECTION 8. Repealing Clause.** All issuances, orders, rules, and regulations or parts thereof which are inconsistent with the provisions of this Administrative Order are hereby revoked and/or modified accordingly.



**SECTION 9. Separability.** If any provision of this Administrative Order is declared invalid or unconstitutional, the other provisions unaffected shall remain valid and subsisting.

**SECTION 10. Effectivity Clause.** This Administrative Order shall take effect immediately.

**DONE** in the City of Manila this **1st** of **December** in the Year of Our Lord, Two Thousand and Eleven.



By the President:



**PAQUITO N. OCHOA, JR.**  
Executive Secretary



**CERTIFIED COPY**



**MARIANITO M. DIMAANDAL**  
**DIRECTOR IV**  
**MALACANANG RECORDS OFFICE**

