



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 37

**AUTHORIZING THE GRANT OF SERVICE RECOGNITION INCENTIVE
TO GOVERNMENT EMPLOYEES FOR FISCAL YEAR (FY) 2020**

WHEREAS, under Section (17)(iv) of Congress Joint Resolution (JR) No. 4 dated 17 June 2009, the President, upon recommendation of the Department of Budget and Management (DBM), is authorized to update the Compensation and Position Classification System (CPCS) for civilian personnel and Base Pay Schedule for military and uniformed personnel, as well as the policies on and levels of allowances, benefits and incentives applicable to all government personnel;

WHEREAS, the DBM has recommended updating the policies on and levels of incentives applicable to all government personnel through the grant of a one-time incentive, to recognize and further encourage the unwavering commitment and dedication of government employees in performing their work, their continued support and collaborative efforts in the delivery of services to the public, as well as their diligence in the effective and efficient performance of their respective functions;

WHEREAS, Section (4)(h) of JR No. 4 authorizes the grant of (a) incentives to reward an employee's loyalty to government service and contributions to the agency's continuing viable existence; (b) incentives as rewards for exceeding agency financial and operational performance targets to motivate employee efforts toward higher productivity; and (c) other existing benefits to be categorized by the DBM as incentives; and

WHEREAS, government employees deserve to be rewarded for their collective and unceasing participation in and invaluable contribution to the Administration's continuing efforts toward the establishment of streamlined government processes and more responsive delivery of public services, especially in the midst of the public health emergency caused by the COVID-19 pandemic;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Service Recognition Incentive for Employees in the Executive Department. This Order authorizes the grant of a one-time Service Recognition Incentive (SRI) at a uniform rate not exceeding Ten Thousand Pesos (₱10,000.00) for each of the following personnel in the Executive Department:

- a. Civilian personnel in national government agencies (NGAs), including those in state universities and colleges (SUCs) and government-owned or -controlled corporations (GOCCs), occupying regular, contractual or casual positions; and

- b. Military personnel of the Armed Forces of the Philippines under the Department of National Defense, and uniformed personnel of the Philippine National Police, Bureau of Fire Protection, and Bureau of Jail Management and Penology under the Department of the Interior and Local Government, the Bureau of Corrections under the Department of Justice, the Philippine Coast Guard under the Department of Transportation, and the National Mapping and Resource Information Authority under the Department of Environment and Natural Resources.

SECTION 2. Conditions on the Grant of the SRI. The grant of the SRI shall be subject to the following conditions:

- a. The civilian personnel are occupying regular, contractual or casual positions;
- b. The personnel are still in the government service as of 30 November 2020;
- c. The personnel have rendered at least a total or an aggregate of four (4) months of satisfactory service as of 30 November 2020, inclusive of services rendered under any of the alternative work arrangements prescribed by the Civil Service Commission;
- d. Those who have rendered less than a total or an aggregate of four (4) months of satisfactory service as of 30 November 2020 shall be entitled to a pro-rated share of the SRI, as follows:

Length of Service	Percentage of the Incentive
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 %

and

- e. The employees have not received any additional year-end benefit in FY 2020 over and above the benefit authorized under Republic Act (RA) No. 6686, as amended by RA No. 8441.

SECTION 3. Exclusion from the Grant of the SRI. Those engaged without employer-employee relationship and whose compensation are funded from non-Personnel Services (PS) appropriations/budgets are excluded from the grant of the SRI, such as:

- a. Consultants and experts engaged for a limited period to perform specific activities or services with expected outputs;
- b. Laborers engaged through job contracts (*pakyaw*) and those paid on piecework basis;
- c. Student workers and apprentices; and

- d. Individuals and groups of people whose services are engaged through job orders, contracts of service or others similarly situated.

SECTION 4. Funding Source of the SRI for Employees in the Executive Department. The funding source for the grant of the SRI to employees in the Executive Department shall be governed by the following:

- a. For NGAs, including SUCs, and military and uniformed personnel, the amount required shall be charged against the available released Personnel Services (PS) allotments of the respective agencies under Republic Act No. 11465 or the "FY 2020 General Appropriations Act (GAA)";
- b. In case of deficiency, the amount required may be charged against the Maintenance and Other Operating Expenses allotment of the concerned government agency, subject to the rules on modification of allotments under Section 70 of the General Provisions of the FY 2020 GAA, and other pertinent budgeting, accounting and auditing rules and regulations;
- c. For GOCCs, the amount required shall be charged against their respective approved corporate operating budgets (COBs) for FY 2020 only; and
- d. Should the identified funding source prove insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the NGA or GOCC.

SECTION 5. SRI for Employees in the Legislative and Judicial Departments and Other Offices Vested with Fiscal Autonomy. Employees in the Senate, House of Representatives, Judiciary, Office of the Ombudsman and Constitutional Offices vested with fiscal autonomy may likewise be granted a one-time SRI by their respective heads of offices at a uniform rate not exceeding Ten Thousand Pesos (P10,000) each, chargeable against the available released allotment of their respective agencies, subject to the conditions set in Section 2 hereof. Should the identified funding source prove insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the concerned office.

SECTION 6. SRI for Employees in Local Government Units (LGUs).

- a. The grant of the one-time SRI to employees in LGUs, including those in the barangays, shall be determined by their respective *sanggunians* depending on the LGU's financial capability, subject to the PS limitation in LGU budgets under RA No. 7160 or the "Local Government Code of 1991," and the conditions set in Section 2 hereof, at a uniform rate not exceeding Ten Thousand Pesos (P10,000.00), chargeable against their respective FY 2020 local government funds. Should the identified funding source prove insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the LGU; and
- b. In determining the amount of the SRI, the *sanggunians* shall exercise prudence and judicious use of government funds, ensuring that the expenditure is reasonable and will not, in any way, adversely affect the delivery of services to the public.

SECTION 7. SRI for Employees in Local Water Districts (LWDs). LWDs may also grant the SRI to their employees at a uniform rate to be determined by their Boards of Directors (BOD), which shall not exceed Ten Thousand Pesos (₱10,000.00) each, chargeable against their respective BOD-approved FY 2020 COBs only, subject to the conditions set in Section 2 hereof. Should the identified funding source prove insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the LWD.

SECTION 8. SRI for Employees in Agencies Exempted from the Coverage of RA No. 6758, as Amended. NGAs and GOCCs exempted from the coverage of RA No. 6758, as amended, may also grant the SRI to their employees at a uniform rate to be determined by their governing boards or agency heads, which shall not exceed Ten Thousand Pesos (₱10,000.00) each, chargeable against the NGA's available funds and the GOCC's FY 2020 COB, subject to the conditions set in Section 2 hereof. Should the identified funding source prove insufficient to cover the full amount of the SRI, a lower but uniform amount shall be paid to all qualified employees of the concerned agency.

SECTION 9. Payment Date. The payment of the SRI to all qualified government employees shall not be earlier than 21 December 2020.

SECTION 10. Supplemental Guidelines. As may be necessary, the DBM shall issue supplemental guidelines to effectively implement this Order.

SECTION 11. Separability Clause. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 12. Repealing Clause. All issuances, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

SECTION 13. Effectivity. This Order shall take effect immediately following its complete publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 18th of December, in the year of our Lord, Two Thousand and Twenty

By the President:


SALVADOR C. MEDIALDEA
Executive Secretary

