

**[DBM BUDGET CIRCULAR NO. 2003-02, January
01, 2003]**

**LIBERALIZATION OF THE RULES AND REGULATIONS ON THE
PAYMENT OF YEAR-END BONUS AND CASH GIFT**

1.0 Purpose

To liberalize the rules and regulations on the payment of year-end bonus and cash gift authorized under Republic Act (RA) No. 6686 as amended by RA No. 8441 in consonance with the principle of equitable compensation and in the spirit of altruism.

2.0 Coverage

All officials and employees whether permanent, temporary or emergency in nature and contractual personnel whose employment is in the nature of a regular employee, appointive or elective, now existing or hereafter created in all national government agencies, state universities and colleges, government-owned and controlled corporations, government financial institutions and local government units.

3.0

Updated Rules on the Advance Payment of One-half (1/2) of the Amount of Year-end Bonus and Cash Gift covering 2003 and onwards.

3.1 All elective and appointive officials and employees may receive one half (1/2) of the amount of year-end bonus and cash gift in May, provided that they have rendered at least four (4) months of service, including leaves of absence with pay, from January 1 to April 30 of the given year, regardless of whether or not they will still be in service as of October 31 of the same year.

3.2 Payment of the authorized benefits shall be made not earlier than May 1, and should be paid not later than May 31 of the particular year.

4.0

Pro-rated Share of the Remaining Balance of Cash Gift

4.1 All government personnel who have rendered more than four (4) months of service in a given year before their retirement/separation from the service may receive a proportionate share of the remaining balance of the cash gift in addition to the benefit provided under Item 3 hereof.

4.2 The pro-rated share of the cash gift shall follow a twenty percent (20%) gradation for every month of service, in excess of the four months service requirement as follows: