



Republic of the Philippines  
Department of Environment and Natural Resources  
Visayas Avenue, Diliman, Quezon City  
Tel Nos. (632) 929-66-26 to 29 • (632) 929-62-52  
929-66-20 • 929-66-33 to 35  
929-70-41 to 43

MEMORANDUM

TO : ALL DENR EMPLOYEES  
DENR Central Office, Bureaus, Regional Offices and Attached  
Agencies

FROM : THE UNDERSECRETARY  
Management and Technical Services

SUBJECT : **GRANT OF PRODUCTIVITY ENHANCEMENT PAY**

DATE : **FEB 17 2005**

---

Pursuant to Malacanang Administrative Order No. 115 dated February 9, 2005 and Department of Budget and Management Budget Circular No. 2005-1 dated February 10, 2005, the grant of Productivity Enhancement Pay (PEP) is hereby authorized.

1.0 GENERAL POLICIES

- 1.1 The PEP is a one-time reward for the contribution of agencies to overall efficiency and productivity improvement in the government arising from the collective efforts of their officials and employees. In contrast with the Productivity Incentive Benefit (PIB) which is granted based on individual employee performance, the PEP is a reward for institutional performance.
- 1.2 The PEP shall be granted to all personnel of NGAs who have not received any extra cash gift or additional benefit in CY 2004 over and above the year-end benefit (YEB) authorized under RA 6686, as amended by RA 8441 as implemented by Budget Circular No. 2000-18 dated September 6, 2000.

2.0 COVERAGE AND EXEMPTIONS

- 2.1 Subject to the provisions of Item 1.2 above, the PEP shall apply to all DENR employees in a permanent, temporary or casual status, including contractual personnel whose employment is in the nature of a regular employee, whose salaries/wages are charged to the budgetary allocation under Personal Services, and who are under the following instances from January 1, 2004 to December 31, 2004, and were still in the service as of December 31, 2004:
  - 2.1.1 Those who have rendered at least a total of an aggregate of four (4) months of service including leaves of absence with pay;
  - 2.1.2 Those who are on approved leave without pay but have rendered at least a total or an aggregate of four (4) months of service provided they are not yet dropped from the rolls; and
  - 2.1.3 Those who have rendered less than four (4) months of service.

2.2 DENR personnel under the following instances as of December 31, 2004 are not entitled to the PEP:

- 2.2.1 Those who were absent without leave (AWOL);
- 2.2.2 Those who were no longer in the service due to retirement/resignation/separation/death or for whatever reasons; and
- 2.2.3 Those who were hired not as part of the organic manpower of agencies but as consultants or experts, to perform specific activities or services with expected outputs; student laborers; apprentices; laborers of contracted projects (*pakiao*); mail contractors; those paid on piecework basis; and others whose remunerations are not taken from the budgetary allocation for Personal Services under the CY 2004 budget.

2.3 DENR personnel who were formally charged administrative cases as well as criminal cases, which relate to acts or omissions in connection with their official duties and functions and found guilty and/or meted penalties in 2004 are not entitled to the PEP. In this regard, if the penalty meted out is only a reprimand, such penalty is not a basis of disqualification to receive the PEP.

### 3.0 RULES AND REGULATIONS

3.1 DENR personnel covered under Item 2.1.1 and 2.1.2 hereof shall be entitled to receive the PEP in the amount of Three Thousand Pesos (P3,000) each.

3.2 DENR personnel covered under Item 2.1.3 hereof shall also be entitled to the PEP authorized under Item 3.1 but shall be pro-rated as follows:

Length of Service	Percentage
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%

3.3 The PEP of DENR personnel employed on full-time basis but detailed with another government agency or special project shall be drawn from their respective mother agency. In the case of those paid from project funds, the PEP shall be drawn from the same source where they draw their salaries.

3.4 The PEP of DENR personnel employed on a part-time basis shall be pro-rated corresponding to the services rendered. Those who are employed on part-time basis with two (2) or more agencies, shall be entitled to a proportionate amount corresponding to the service in each agency, provided that the total PEP shall not exceed the amount herein authorized.

3.5 The PEP of DENR personnel who transferred from one agency to another shall be granted by their office as of December 31, 2004. For this purpose, a certification from the former office that the personnel has not availed of the PEP, extra cash gift, additional bonus or benefit over and above the YEB in CY 2004 is necessary.

3.6 DENR personnel formally charged administrative and criminal cases and which cases are still pending for resolution shall be entitled to the herein authorized PEP.

3.7 DENR personnel who have received any unauthorized extra cash gift or additional benefit/allowance prior to the issuance of this circular charged against the CY 2004 shall:

3.7.1 refund any excess of the amount herein authorized; or

3.7.2 be entitled to the difference, if they received less than the amount herein authorized

#### 4.0 FUND SOURCES

4.1 The allotment and NCA for payment of the PEP shall be issued by DBM. The allotment shall be charged against the pooled savings as of December 31, 2004 as defined under Item 2.0 of CL No. 2004-13 and the unreleased CY 2004 appropriations of agencies.

#### 5.0 RESPONSIBILITY OF THE HEAD OF AGENCY

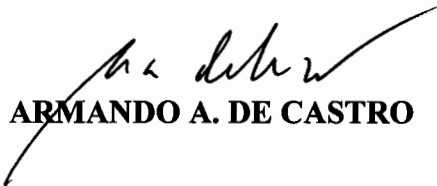
Bureau Directors, Regional Executive Directors and Heads of Offices shall be personally liable for any payment of benefit not in accordance with the provisions of this Memorandum without prejudice, however, to the refund thereof by the employee concerned.

#### 6.0 SAVING CLAUSE

Cases not covered by this Memorandum shall be referred to the Department of Budget and Management for resolution.

#### 7.0 EFFECTIVITY

Payment of the PEP shall be made not earlier than February 14, 2005.



**ARMANDO A. DE CASTRO**