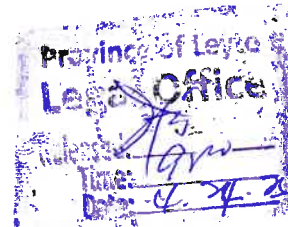


Item No.: 02  
Date: MAY 27 2025



Republic of the Philippines  
PROVINCE OF LEYTE  
Provincial Capitol  
Palo, Leyte

-oOo-



PROVINCIAL LEGAL OFFICE

2<sup>nd</sup> INDORSEMENT  
April 21, 2025 .

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through SP Secretary, the attached Ordinance No. 2025-09 of the Sangguniang Bayan of Tanauan, Leyte.

**Issues/concerns for review/recommendation/ legal opinion is/are as follows:**

- Ordinance No. 2025-09 entitled: "An Ordinance Establishing Guidelines on the Performance-Based Bonus, of Employees in the Municipality of Tanauan, Leyte."

**REVIEW/RECOMMENDATION/LEGAL OPINION:**

This office opines that the subject Ordinance is, in general, within the legislative authority of the Sangguniang Bayan under Section 447(a)(1)(vi)<sup>1</sup> of the Local Government Code of 1991 (R.A 7160).

However, attention is drawn to **EXECUTIVE ORDER NO. 61**, dated June 03, 2024, particularly Section 1<sup>2</sup>, which suspends the implementation of AO No. 25 (s. 2011) and EO No. 80 (s. 2012), and all other relevant issuances related thereto, pending review of the RBPMS and PBI System. Any local issuance inconsistent with this directive maybe rendered ineffective.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on the facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities and/or the courts.

**ATTY. JOSE RAYMUND A. ACOL**  
*Ass. Provincial Legal Officer* 

<sup>1</sup> (viii) Determine the positions and salaries, wages, allowances and other emoluments and benefits of officials and employees paid wholly or mainly from municipal funds and provide for expenditures necessary for the proper conduct of programs, projects, services, and activities of the municipal government;

<sup>2</sup> E.O. No. 61, Series of 2011. SUSPENDING THE IMPLEMENTATION OF ADMINISTRATIVE ORDER NO. 25 (S. 2011) AND EXECUTIVE ORDER NO. 80 (S. 2013), AS AMENDED, June 03, 2024

*Section 1, Suspension.* The implementation of AO No. 25 (s. 2011) and EO No. 80 (s. 2012), and all other relevant issuances related thereto, is hereby suspended immediately pending review of the RBPMS and PBI System.


Republic of the Philippines  
PROVINCE OF LEYTE  
Palo, Leyte  
-o0o-

**OFFICE OF THE SANGGUNIANG PANLALAWIGAN**

**1<sup>ST</sup> INDORSEMENT**  
24 March 2025

Division Office  
Legal Office  
3.24.25

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **Ordinance No. 2025-09 of the Municipality of Tanauan, Leyte**, entitled: **An Ordinance establishing guidelines on the performance-based bonus of employees in the Municipality of Tanauan, Leyte.**

  
**FLORINDA JILLS UY VICO**  
Secretary to the Sanggunian



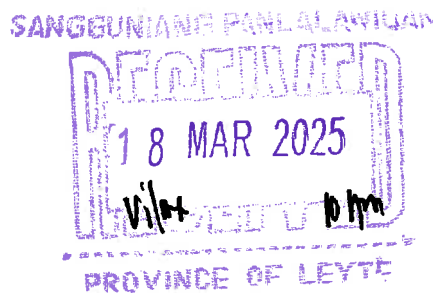
Republic of the Philippines  
Province of Leyte  
TANAUAN  
-oOo-

**OFFICE OF THE SANGGUNIANG BAYAN**

March 17, 2025

**THE SECRETARY**

Sangguniang Panlalawigan  
Province of Leyte  
Capitol Building  
Tacloban City



Sir/Madam;

Respectfully submitting herewith 16<sup>th</sup> **SB Ordinance No. 2025-09, "An Ordinance Establishing Guidelines on the Performance-Based Bonus of the Employees in the Municipality of Tanauan, Leyte"**, for your appropriate action.

*Authored by: Hon. Mae Jane Angelie M. Morabe-Borais  
Co-authors: 16<sup>th</sup> SB Members of Tanauan, Leyte*

Trusting that you will accord this matter with your kindest attention.

Thank you.

Truly yours,

  
**ELEUTERIO T. LARIOS**  
Sangguniang Bayan Secretary

Republic of the Philippines  
Province of Leyte  
TANAUAN

-oOo-

SANGGUNIANG BAYAN



EXCERPT FROM THE MINUTES OF THE 130<sup>th</sup> REGULAR SESSION OF THE 16<sup>th</sup> SANGGUNIANG BAYAN OF TANAUAN, LEYTE, HELD ON FEBRUARY 24, 2025, AT THE SB SESSION HALL, TANAUAN, TOWN HALL, TANAUAN, LEYTE.

PRESENT :

HON. ARCHIE LAWRENCE R. KAPUNAN	Municipal Vice-Mayor/Presiding
HON. JAN ELMER V. MAGDALAGA	Sangguniang Bayan Member
HON. MAE JANE ANGELIE M. MORABE – BORAIS	-do-
HON. MARK EFREN E. MERILO	-do-
HON. JOSIE M. CREER	-do-
HON. QUINTIN T. OCTA, JR.,D.M.D.	-do-
HON. CHERRY ANNE T. FIEL	-do-
HON. EFREN C. MERILO	-do-/Liga Fed. Pres.
HON. KYLE C. MESIAS	-do-/ SK Fed. Pres.

ABSENT :

HON. PAUL EMMANUEL R. CINCO (on leave)	Sangguniang Bayan Member
HON. ATTY. ISAGANI S. ESPADA (on leave)	-do-

ORDINANCE NO. 2025 –09

AN ORDINANCE ESTABLISHING GUIDELINES ON THE PERFORMANCE-BASED BONUS OF EMPLOYEES IN THE MUNICIPALITY OF TANAUAN, LEYTE.

Author: Hon. Mae Jane Angelie M. Morabe-Borais  
Co – authors: 16<sup>th</sup> SB Members of Tanauan, Leyte.

BE IT ENACTED BY THE SANGGUNIANG BAYAN OF TANAUAN, LEYTE IN REGULAR SESSION ASSEMBLED THAT:

WHEREAS, Section 447(a)(1)(xi) of the Local Government Code of 1991 (Republic Act No. 7160) empowers the Sangguniang Bayan to grant bonuses and allowances to municipal employees;

WHEREAS, Administrative Order No. 25 s.2011, Inter-Agency Task Force (AITF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems, outlines the Performance-Based Incentive System, which establishes guidelines for performance evaluation and the distribution of bonuses, including the Performance-Based Bonus (PBB);

WHEREAS, Executive Order No. 80, Series of 2012, institutionalizes the Performance-Based Incentive System for government employees, promoting a culture of performance excellence and ensuring that public servants are appropriately recognized and rewarded based on their individual and organizational performance, in alignment with the government's development priorities;

WHEREAS, DBM Memorandum Circular No. 2022-1, issued by the Department of Budget and Management (DBM), provides the guidelines on the grant of the Performance-Based Bonus (PBB), including the criteria for performance evaluation and the allocation of bonuses based on

the achievement of targets and performance indicators, which shall serve as the guiding framework for the grant of PBB to the employees of the Municipality of Tanauan, Leyte;

**WHEREAS**, it is essential to establish clear guidelines for the classification of performers to ensure a fair and transparent distribution of the Performance-Based Bonus;

**SECTION 1. TITLE.** This Ordinance shall be known as the "**Performance-Based Bonus Guidelines Ordinance of Tanauan, Leyte.**"

**SECTION 2. DEFINITION OF TERMS.** For the purpose of this Ordinance, the following terms are defined as follows:

**1. Performance-Based Bonus (PBB)** – A monetary incentive granted to employees of the Municipality of Tanauan, Leyte, based on their individual and office performance, as a recognition of their contributions towards achieving the municipality's targets and goals.

**2. Eligible Employee** – Any regular, contractual, or casual employee of the Municipality of Tanauan, Leyte, who meets the eligibility criteria outlined in this Ordinance, including satisfactory performance, no pending administrative or criminal cases, and at least six (6) months of service within the assessment period.

**3. Top Performers** – The **top 10% of eligible employees** who receive the highest performance evaluation scores and are recognized for their exceptional contributions and achievements.

**4. Commendable Performers** – The **next 40% of eligible employees following the Top Performers**, who have demonstrated a high level of performance based on the performance evaluation scores.

**5. Competent Performers** – The **remaining 50% of eligible employees** who have met the basic requirements of their roles and have been evaluated as meeting the satisfactory level of performance.

**6. Performance Evaluation** – A systematic assessment of an employee's job performance, productivity, efficiency, attendance, and other relevant indicators, conducted to determine their level of contribution towards the goals of the Municipality of Tanauan, Leyte.

**7. Performance Evaluation Committee** – A team composed of representatives from the Human Resource Management Office (HRMO), Budget Office, and other relevant departments tasked with reviewing and validating the performance evaluation and ranking process to ensure its accuracy and fairness.

**8. Ranking** – The process of arranging eligible employees in order of their performance evaluation scores, from the highest to the lowest, to classify them into categories such as Top Performers, Very Satisfactory Performers, and Satisfactory Performers.

**9. Tie-Breaking Mechanism** – A procedure applied when two or more employees have the same performance evaluation score, using additional criteria such as attendance record, length of service, or additional achievements to determine the final ranking.

**10. Human Resource Management Office (HRMO)** – The office responsible for managing human resources activities in the Municipality of Tanauan, Leyte, including the administration of performance evaluations, ranking processes, and other employee-related matters.

**11. Monthly Basic Salary** – The fixed amount of compensation paid to an employee on a monthly basis for the performance of their job, excluding allowances, bonuses, and other benefits.

**12. Department of Budget and Management (DBM)** – The national government agency responsible for the efficient and effective allocation of government resources, which provides

guidelines and policies regarding the granting of bonuses and incentives, including the Performance-Based Bonus (PBB).

**13. Appeal** – A formal request made by an employee to review their performance evaluation or ranking if they believe there has been an error or unfair treatment in the evaluation process.

**14. Sangguniang Bayan** – The legislative body of the Municipality of Tanauan, Leyte, that enacts ordinances, resolutions, and other legislative measures to govern and promote the welfare of its constituents.

**SECTION 3. PURPOSE.** The purpose of this Ordinance is to establish a framework for granting a Performance-Based Bonus to the employees of the Municipality of Tanauan, Leyte, in recognition of their individual and collective contributions to the achievement of the municipality's targets and goals.

**SECTION 4. SCOPE AND COVERAGE.** This Ordinance shall apply to all regular, contractual, and casual employees of the Municipality of Tanauan, Leyte, subject to eligibility criteria and conditions as defined in the implementing rules and regulations of this Ordinance.

**SECTION 5. ELIGIBILITY CRITERIA.** The following shall be the criteria for eligibility to receive the Performance-Based Bonus (PBB):

1. The employee **must have rendered at least twelve (12) months of service** within the year for which the PBB Ordinance is being granted.

2. The employee **must have achieved a very satisfactory or higher rating** in the bi-annual performance evaluation.

3. The employee **must have no pending administrative or criminal cases** as of the date of the grant of the PBB.

4. The office or unit to which the employee belongs **must have met the performance targets as set by the Local Chief Executive.**

5. Be assessed in accordance with the performance rating system set by the DBM Circulars.

**SECTION 6. EXCLUSIONS.** The following are excluded from the grant of the Performance-Based Bonus (PBB):

1. Employees who have been found guilty of administrative or criminal charges during the performance year.

2. Employees who have failed to submit the required performance documents (e.g., PCR, IPCR) within the prescribed period.

3. Employees who were absent or on leave for more than six (6) months in the performance year.

#### **SECTION 7. PERFORMANCE EVALUATION SYSTEM**

1. The performance of each employee shall be evaluated based on the Performance Commitment and Review (PCR) and the Individual Performance Commitment and Review (IPCR), which are aligned with the Municipality's goals and objectives for the performance year.

2. The Performance Evaluation Committee (PEC) shall be responsible for reviewing and evaluating the performance of employees based on the established criteria.

3. The PEC will provide ratings to each employee, categorizing their performance as Outstanding, Very Satisfactory, or Needs Improvement.

**SECTION 8. RANKING AND SELECTION PROCESS FOR PERFORMANCE-BASED BONUS (PBB).** The ranking and selection of eligible employees for the Performance-Based Bonus (PBB) in the Municipality of Tanauan, Leyte shall be conducted in a fair and transparent manner based on their individual performance evaluation results. The following guidelines shall apply:

**1. Performance Evaluation:** All employees shall undergo a standardized performance evaluation using clear and measurable criteria, which may include job performance, productivity, efficiency, attendance, and other relevant indicators as specified by the Human Resource Management Office (HRMO). **Performance evaluations shall be conducted objectively and documented to ensure transparency in the evaluation process.**

**2. Ranking of Employees:** Employees who meet the eligibility criteria for the PBB shall be ranked based on their performance evaluation scores, with the highest scores indicating the best performers. The ranking shall be conducted in descending order, with employees having the highest scores placed at the top of the list.

**3. Classification of Performers:** The ranking process shall determine the classification of employees into the following categories:

- i. **Top Performers:** The **top 10% of eligible employees** based on their performance evaluation scores.
- ii. **Commendable Performers:** The **next 40% of eligible employees** following the Top Performers.
- iii. **Competent Performers:** The **remaining 50% of eligible employees.**

**4. Tie-Breaking Mechanism:** In the event of a tie in performance scores, the following criteria shall be used to break the tie:

- i. The employee's attendance record.
- ii. The length of service with the Municipality of Tanauan, Leyte.
- iii. Any additional achievements or contributions beyond the employee's regular duties.

**5. Validation and Review:** The final ranking and classification of employees shall be reviewed by the Performance Management Team, which includes representatives from the HRMO, Budget Office, and other relevant departments, to ensure the accuracy and fairness of the process. **Any employee who wishes to appeal their performance evaluation or ranking may do so in writing within ten (10) days of the release of the results.**

**6. Announcement of Results:** The results of the performance evaluation and ranking shall be communicated to all eligible employees in a transparent manner, with individual feedback provided to each employee regarding their performance assessment and ranking.

**SECTION 9. ALLOWABLE AMOUNTS FOR THE PERFORMANCE-BASED BONUS (PBB).** The amount of the Performance-Based Bonus (PBB) to be granted to eligible employees shall be determined based on their individual performance ranking, subject to the following guidelines:

**1. Top Performers:** Employees classified as Top Performers shall receive a **bonus amount equivalent to up to 65% of their monthly basic salary.**

**2. Commendable Performers:** Employees classified as Commendable Performers shall receive a **bonus amount equivalent to up to 57.5% of their monthly basic salary.**

**3. Competent Performers:** Employees classified as Competent Performers shall receive a **bonus amount equivalent to up to 50% of their monthly basic salary.**

**SECTION 10. FUNDING SOURCE.** The Performance-Based Bonus (PBB) shall be funded from the annual budget of the Municipality of Tanauan, Leyte, or any other available fund as may be

determined by the Local Chief Executive, subject to the provisions of the Local Government Code and the guidelines set by the Department of Budget and Management (DBM).

## **SECTION 11. COMPOSITION OF THE PERFORMANCE EVALUATION COMMITTEE (PEC) AND ITS RESPONSIBILITIES.**

### **A. COMPOSITION**

**1. Chairperson:** The PEC shall be chaired by the Head of the Municipality of Tanauan or his/her duly authorized representative.

**2. Members:** The PEC shall consist of **senior officials or department heads** of the Municipality of Tanauan, who are familiar with the operations and performance of the employees within their respective departments.

**B. RESPONSIBILITIES.** The PEC shall evaluate the performance of municipal employees based on pre-established criteria aligned with the Municipality's goals, including the Organizational Performance Indicator Framework (OPIF), ensuring compliance with the Performance-Based Bonus (PBB) system.

## **SECTION 12. ADMINISTRATION OF THE PBB.**

### **1. The Municipal Human Resource Management Office (HRMO)**

- a. **shall be responsible for the overall implementation of this Ordinance**, including the conduct of performance evaluations, ranking of employees, and distribution of the Performance-Based Bonus (PBB).
- b. **shall prepare a report on the implementation of the PBB program**, including the number of employees who received the bonus, the total amount disbursed, and the evaluation process, and submit the same to the Sangguniang Bayan for review on or before January 31<sup>st</sup> each year.

**2. The Municipal Budget Office** shall ensure that the funds for the PBB are available and properly allocated.

**3. The Municipal Accounting Office** shall handle the disbursement of the PBB funds in accordance with existing laws, rules, and regulations.

**4. The Sangguniang Bayan** shall monitor the implementation of this Ordinance to ensure compliance with the guidelines and to make necessary adjustments based on feedback from employees and performance outcomes.

## **SECTION 13. ADMINISTRATIVE PENALTIES.**

**1. Any municipal official or employee** found to have manipulated the evaluation process for the purpose of securing an undeserved performance-based bonus shall be subject to administrative penalties, which may include but are not limited to:

- a. Suspension for a period not exceeding six (6) months without pay.
- b. Termination of employment for gross misconduct.

**2.** The investigation into allegations of manipulation shall be conducted by the appropriate oversight body within the municipality or by the Civil Service Commission, ensuring due process is observed.

**3.** Any penalties imposed shall be recorded in the official personnel file of the offending official or employee.

**SECTION 14. OVERSIGHT AND INVESTIGATION.** To ensure transparency and accountability in the implementation of this ordinance, the following oversight body is designated to handle investigations of ~~any~~ allegations of manipulation, fraud, or unethical conduct related to the performance-based bonus system:

- a. **Oversight Body:** The Task Force shall be composed of representatives from the Office of the Municipal Mayor, Human Resource Management Office (HRMO), Sangguniang Bayan (Municipal Council), and an external citizen's representative or public advocacy group, shall be responsible for overseeing the implementation of this ordinance.
- b. **Investigation of Allegations:** Any individual, employee, or entity may file a formal complaint regarding suspected manipulation or misconduct in the granting of performance-based bonuses. The task force shall investigate such complaints within 15 working days of receipt.
- c. **Final decision:** Task force shall issue final decision through a resolution based on the outcome of their investigation within 30 working days from the commencement of the investigation.
- d. **Transparency in Investigation:** The investigation process shall be transparent, with regular updates provided to the public, to ensure fairness and due process.

**SECTION 15. SEPARABILITY CLAUSE.** If any provision of this Ordinance is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

**SECTION 16. REPEALING CLAUSE.** All ordinances, resolutions, and executive orders or parts thereof that are inconsistent with the provisions of this Ordinance are hereby repealed or amended accordingly.

**SECTION 17. EFFECTIVITY.** This Ordinance shall take effect immediately upon approval.

**ENACTED : 24 FEBRUARY 2025**

**CERTIFIED TRUE AND CORRECT:**

**ELEUTERIO T. LERIOS**  
SB Secretary

**ATTESTED BY:**

**HON. ARCHIE LAWRENCE R. KAPUNAN**  
Vice Mayor/Presiding

**HON. JAN ELMER V. NIAGDALAGA**  
SB Member

**HON. MARK EFREN E. MERILO**  
SB Member

**HON. QUINTIN T. OCTA, JR., D.M.D.**  
SB Member

**HON. EFREN C. MERILO**  
SB Member/Liga Fed. Pres.

**HON. MAE JANE ANGELIE M. MORABE -BORAIS**  
SB Member

**HON. JOSIE M. CREER**  
SB Member

**HON. CHERRY ANNE T. FIEL**  
SB Member

**HON. KYLE C. MESIAS**  
SB Member/SK Fed. Pres.

**APPROVED BY:**

**HON. MA. GINA E. MERILO**  
Municipal Mayor  
LGU – Tanauan, Leyte

**Date:** 03-17-2025



Republic of the Philippines  
Province of Leyte  
TANAUAN  
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*OFFICE OF THE SANGGUNIAN BAYAN*

## C E R T I F I C A T I O N

**TO WHOM IT MAY CONCERN:**

**THIS IS TO CERTIFY** that SB ORDINANCE NO. 2025-09, "AN ORDINANCE ESTABLISHING GUIDELINES ON THE PERFORMANCE-BASED BONUS OF THE EMPLOYEES IN THE MUNICIPALITY OF TANAUAN, LEYTE", have been posted in the bulletin boards at the following: Entrance of the Municipal Hall, Office of the Sangguniang Bayan and Public Market beginning March 17, 2025 and shall remain posted for a minimum of three consecutive weeks.

**This certification is issued in compliance with the pertinent provisions of R.A. 7160.**

**Issued: March 17, 2025**

  
**ELEUTERIO T. LARIOS**  
Sangguniang Bayan Secretary