

**[ DBM LOCAL BUDGET CIRCULAR NO. 51,  
September 30, 1991 ]**

**GRANT OF YEAR-END BONUS TO LOCAL GOVERNMENT  
OFFICIALS AND EMPLOYEES FOR CALENDAR YEAR 1991 AND  
FOR SUCCEEDING YEARS**

**1.0**

**Purpose**

1.1 This Circular is issued in compliance with Republic Act No. 6686 authorizing local government units to grant year-end bonus equivalent to one (1) month basic salary and a cash gift of P1,000 to local officials and employees subject to availability of local funds. In the case of a Sanggunian member whose local government unit has not yet implemented the Salary Standardization Law and who is paid on per diem basis, the year-end bonus shall be equivalent to the total per diems he is entitled to during the four (4) paid sessions allowed for one (1) month.

1.2 Where available local funds are limited, the year-end bonus and the cash gift that may be paid by a local government unit may be less than one month basic salary and the P1,000 cash gift granted to national government employees; provided, however, that payment of the benefit shall be based on a fixed uniform percentage such that no official or employee shall receive a percentage year-end benefit higher than that of any other official or employee in the same local government unit.

**2.0**

**Coverage**

2.1 All officials and employees of local government units employed on a regular, temporary, emergency, casual or contractual basis, including Provincial Governors, City and Municipal Mayors, Vice-Governors, Vice-Mayors and Sanggunian Members of the provinces, sub-provinces, cities and municipalities who have rendered at least four (4) months of service including leaves of absence with pay in the government, from January 1 to October 31 of each year and who are still in the service as of October 31 of the same year.

2.2 An official/employee of a local government unit who is still in the service as of October 31 but has rendered less than four (4) months of service shall be entitled solely to the following pro-rated cash gift subject to the availability of local funds.

Length of Service	Amount
3 months but less than 4 months	P400.00
2 months but less	300.00

than 3 months  
1 month but less 200.00  
than 2 months  
Less than 1 month 100.00

2.3 All barangay chairmen of legally created barangays as of December 31, 1990, who are occupying such position as of October 31, 1991 and as of October 31 of every year thereafter, shall each be paid a cash gift only of P1,000. This shall apply to all regardless of the period of their tenure as of October 31. The term "legally created barangay" refers to a barangay created per Sections 82 and 83 of BP No. 337 (Local Government Code).

### **3.0 Exemption**

3.1 An official or employee under preventive suspension without pay is not entitled to these year-end benefits. However, when exonerated he may be paid the same.

3.2 An official or employee who may have four (4) months or more of government service in 1991 but is no longer in the service as of October 31, 1991, and for similar periods every year thereafter, due to retirement/resignation/separation or for whatever reason shall not be entitled to year-end benefits referred to herein.

3.3 An employee who is absent without official leave (AWOL) as of October 31, 1991 and every year thereafter, shall not be entitled to benefits granted herein.

### **4.0 Rules and Regulations**

4.1 The "year-end bonus and cash gift" herein granted shall hereinafter be referred to as "year-end benefits," and the amount herein authorized shall be considered the maximum. Payment of year-end benefits other than that authorized under this Circular shall be considered illegal disbursement of public funds.

4.2 For purposes of this Circular, "basic salary" shall refer to the basic salary as standardized pursuant to R.A. 6758, plus transition allowance, if any, as defined under Section 4.1 of the Joint Commission on Local Government Personnel Administration Circular No. 36.

4.3 An employee who is on full-time or part-time detail with another government agency or special project may receive his year-end bonus from his home office or in the case of personnel paid from project funds, from the same source where he draws his basic salary. No one shall receive the year-end benefits from more than one source. Committee or project honoraria shall not be considered in computing the bonus provided herein.

4.4 Officials and employees who are employed on a part-time basis are entitled to the year-end benefits corresponding to the basic salary he is actually receiving and a pro-rata share of the P1,000 cash gift.

4.5 Any official or employee who is on approved leave of absence without pay but has rendered a total of four (4) months service in the government, excluding such leave without pay within the period from January 1, 1991 to October 31, 1991 and for similar periods every year thereafter, may be entitled to these year-end benefits.