

## CIVIL SERVICE COMMISSION



MC No. 48, s. 1992

### MEMORANDUM CIRCULAR

**T O :** ALL HEADS OF DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL AND LOCAL GOVERNMENTS, STATE COLLEGES AND UNIVERSITIES, GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, INCLUDING THE LEGISLATURE, JUDICIARY AND ARMED FORCES OF THE PHILIPPINES

**SUBJECT:** Establishment of Agency Employee Suggestions and Incentive Awards System (ESIAS)

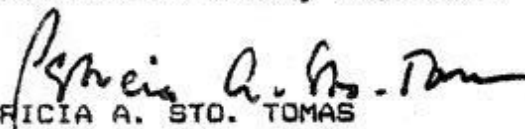
Pursuant to Section 1, Rule X, of the Omnibus Rules Implementing Book V of Executive Order No. 292, each department or agency of the government, whether national or local, including bureaus and agencies, state colleges and universities, and government-owned controlled corporations with original charters, shall establish its own Department or Agency Employee Suggestions and Incentives Award System (ESIAS) which shall be submitted to the Commission for approval.

In the establishment of ESIAS, departments and agencies shall be guided by Rule X of the Omnibus Rules, CSC MC No. 42, s. 1992 and other pertinent policies of the Commission. For this purpose, the Commission has established the attached Agency ESIAS which shall serve as model in developing their respective System.

Department/Agency ESIAS shall be submitted to the Civil Service Commission or to the Civil Service Regional Office in the case of the local government units for evaluation and approval. Departments or agencies which have already approved ESIAS may continue to adopt the same provided they are in accordance with the Omnibus Rules and other pertinent CSC rules and policies.

Within fifteen (15) working days after the end of each year, the Head of the Department or Agency shall submit to the Commission or the Civil Service Regional Office in the case of local government units, a report on the implementation of its incentives and awards program.

The cooperation of all concerned is hereby enjoined.

  
PATRICIA A. STO. TOMAS  
Chairman

December 8, 1992

(Model ESIAS)  
**Employee Suggestions and Incentive Awards System  
of the**

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**(Agency)**

Pursuant to the provisions of Rule X of the Omnibus Rules Implementing Book V of Executive Order No. 292, the Employee Suggestion and Incentive Award System of this Department/Agency is hereby established.

**I. Objectives**

**A. General:**

To recognize and reward officials and employees of the Department/Agency, individually or in groups, for their suggestions, inventions, superior accomplishments, and other personal efforts which contribute to the efficiency, economy, or other improvement in the operation of the department/ agency, or for other extraordinary acts or services in the public interest and for exemplary service and conduct.

**b. Specific:**

1. To encourage creativity, innovativeness for an efficient, responsive and progressive public service;
2. To foster among the officials and employees in the department/agency the awareness and desire to maintain or sustain exemplary performance and superior accomplishments; and
3. To motivate the officials and employees of the department/agency to contribute to national development through increased productivity.

**II. Scope**

The System shall apply to all officials and employees in the career or non-career service of this Department/Agency/LGU, whether or not they receive compensation, regardless of amount.

### **III. Types of Contributions**

Under the System, any of the following types of contribution shall be entitled to an award:

- A. Idea type contribution - this shall refer to an idea, a suggestion or an invention for improvement to effect economy in operation, to increase production, improve working conditions or service, or otherwise benefit the government.
- B. Performance type contribution - this shall refer to:
  - 1. Performance of an extraordinary act or service in the public interest in connection with, or related to, one's official employment; or
  - 2. Outstanding community service or heroic acts in the public interest; or
  - 3. Sustained work performance for a minimum period of one year which is over and above the normal position requirement of the individual or group.
  - 4. Exemplary service and conduct.

### **IV. Types of Awards**

A. Honor Award shall consist of:

- 1. The Department/Agency/LGU Award or the "Kapwa" Award which shall be given to an individual or group of individuals in recognition of contributions from an idea or performance resulting in direct benefits to a single department/agency or LGU. Nominations for this category need not be submitted to the Civil Service Commission for screening and evaluation. The SIAC shall evaluate the nominations for this category and recommend to the head of the department/agency/LGU the most qualified nominees.

This award shall consist of a gold (gilded) medallion and a plaque containing the citation and signature of the head of department or agency or LGU or the head of office in the case of offices which are not under a department.

B. The incentive awards may consist of the following:

1. Performance Incentive shall be given to an employee who has obtained an outstanding or very satisfactory rating based on the Agency Approved Performance Evaluation System for the last two successive evaluation periods. The incentive award shall be in the form of step increments in accordance with the provisions of the Joint CSC-DBM Circular No. 1, s. 1990. Provided, That the total number of recipients of step increments based on merit in any one (1) calendar year shall not be more than ten per cent (10%) of the total number of personnel actually employed in the department or agency, provided that the total number of recipients of two step increments shall not exceed three per cent (3%) thereof.
2. Length of Service Incentive shall be given to an employee who has rendered at least three years of continuous satisfactory service in a particular position and which shall consist of step increments in accordance with the provisions of Joint CSC-DBM Circular No. 1, s. 1990.
3. Productivity Incentive shall be given to an employee or group of employees who has exceeded their targets or has incurred incremental improvement over existing targets.
4. Most Courteous Employee Award shall be given to an employee in accordance with the criteria and standards established under CSC MC No. 15, s. 1990 which instituted the Courtesy Campaign Program in the Civil Service, known as the "Ang Magalang Bow".
5. Loyalty Award shall be granted to an employee who has completed at least ten (10) years of continuous and satisfactory service in the particular office granting the award. The grant of this loyalty award shall be in accordance with CSC Memorandum Circular No. 42, s. 1992.
6. Retirement Award shall be given to a retiree who had rendered at least fifteen (15) years of satisfactory government service. This award shall be in the form of a plaque of appreciation, the design and citation of which shall be determined by the office concerned.

7. Cost Economy Measure Award shall be granted to an employee whose contribution in terms of suggestions or inventions or performance of functions results in monetary savings. When an employee's contribution cannot be quantified in terms of monetary savings, or results in combined monetary savings and intangible benefits, the amount of cash award shall be determined in terms of a certain percentage of its estimated total value or benefit but not to exceed 20%.
8. Such other incentive awards which the Agency SIAC may decide to give, subject to the approval of the head of the Department/Agency/LGU.

V. Suggestion and Incentive Award Committee

A. Composition

A Suggestion and Incentive Award Committee (SIAC) is hereby created in this Department/Agency/LGU to administer the System. It shall be composed of the following:

1. Bureau or Department Level
  - a. Highest Human Resource Management Officer;
  - b. The Administrative Officer;
  - c. The Legal Officer;
  - d. The President of the duly accredited employee organization in the agency. In the absence of an accredited association, two (2) representatives shall be chosen at large by the employee through an election to be called for the purpose; and
  - e. A rank and file employee to be elected at large.
2. Municipal, City or Provincial Level
  - a. Highest Human Resource Management Officer or any officer/employee in-charge of personnel;
  - b. The Treasurer;

- c. The representative from the Office of the Mayor/Governor;
- d. The President of the duly accredited employee organization in the agency. In the absence of an accredited association, two (2) representatives shall be chosen at large by the employees through an election to be called for the purpose; and
- e. A rank and file employee to be elected at large.

#### B. Selection Procedure

The Agency SIAC may adopt the following procedures in the selection of nominee/s to any of the incentive awards enumerated above:

1. Establish criteria/qualification of nominees
2. Review of documents:
  - 2.1 Personnel Data Sheet; or
  - 2.2 Service Record; or
  - 2.3 Performance Appraisal Rating for the last two (2) rating periods; or
  - 2.4 Courteous Service Form; or
  - 2.5 Nomination form containing the act/idea/suggestion/invention and the subsequent result or effect which may neither be monetary or non-monetary or which has direct benefit to the Department/Agency/LGU or its unit; or
  - 2.6 Any other documents to support the nomination.
3. Determine the form of incentive awards to be granted;
4. Prepare the necessary recommendation to the Head of Department/Agency/LGU.

VI. Funding

The Department/Agency/LGU shall set aside in its annual budget the necessary appropriations to cover whatever necessary expenses that may be incurred in granting both monetary and non-monetary awards in accordance with the provisions of this ESIAS.

VII. Effectivity

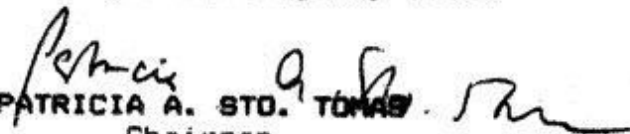
This Department/Agency/LGU ESIAS shall take effect upon approval by the Civil Service Commission, or its duly authorized representative.

RECOMMENDING APPROVAL:

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Head of Agency/Department/LGU

APPROVED:

For Department/Agency level

  
PATRICIA A. STO. TOMAS  
Chairman

For LGU

Regional Director  
Civil Service Regional Office No. \_\_\_\_