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BAGONG PILIPINAS

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OFFICE OF THE CITY MAYOR

13 January 2026

THE HONORABLE MEMBERS
Sangguniang Panlungsod
This City

Thru: HON. ROSAURO RODRIGO G. RESUELLO
Vice Mayor and Presiding Officer

Dear ***Honorable Members of the Sanggunian***:

Herewith is the Local Budget Circular No. 65 of the Department of Budget and Management relative to the Grant of Anniversary Bonus in the Local Government amounting to Three Thousand Pesos (P3,000.00) for each qualified employee, for your information and appropriate action.

Thank you!

In the name of public service,

MAILA ROSARIO S. TING-QUE
City Mayor

Copy furnished:

- *Local Finance Committee*

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACANANG, MANILA

DEPARTMENT OF BUDGET AND MANAGEMENT
OFFICIAL RELEASE
Central Records Division
MALACANANG, MANILA

LOCAL BUDGET CIRCULAR

NO. 65

March 3, 1997

TO : ALL PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS AND BARANGAY CAPTAINS/CHAIRMEN, MEMBERS OF THE SANGGUNIANG PANLALAWIGAN/ PANLUNGSOD/BAYAN, PROVINCIAL/ CITY/ MUNICIPAL TREASURERS, PROVINCIAL/ CITY/ MUNICIPAL BUDGET OFFICERS, PROVINCIAL AND CITY AUDITORS; REGIONAL DIRECTORS OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT, DEPARTMENT OF FINANCE, DEPARTMENT OF BUDGET AND MANAGEMENT, CIVIL SERVICE COMMISSION AND OTHER OFFICIALS CONCERNED

SUBJECT : GUIDELINES ON THE GRANT OF ANNIVERSARY BONUS IN THE LOCAL GOVERNMENT

1.0 Purpose

This Circular is being issued to prescribe the rules and regulations on the grant of Anniversary Bonus in the local government units authorized under Administrative Order No. 316 consistent with the standardized compensation in the government enunciated under R.A. No. 6958 and pursuant to Administrative Order No. 42.

2.0 Coverage

All local government personnel employed on a full-time or part-time basis whether on permanent, temporary or casual status, and contractual personnel whose employment is in the nature of a regular employee, who have been appointed as such in a specific local government unit by virtue of a valid appointment and continue to be employed in the same government unit as of the occasion of its milestone anniversary, shall be entitled to the anniversary bonus.

3.0 Exemption

3.1 Those with pending cases, viz;

3.1.1 When under preventive suspension, until exonerated;

3.1.2 When formally charged in administrative cases, and/or meted penalties, i.e., their offices have found, after preliminary investigation, that a prima facie case exists against them and the requisite written formal charge has been issued by the disciplining authority;

3.1.2.1 However, if the penalty meted out to an employee is only a reprimand, such penalty is not one that can be made the basis of disqualification to receive the said benefit.

3.1.3 When they have cases pending before the Office of the Ombudsman, the Prosecutor's Office or of other administrative bodies which relate to acts omissions in connection with their official duties or functions and where it has already been resolved by the Offices concerned that there exist prima facie cases; and

3.1.4 When there is pending criminal information filed against them in Courts which relate to acts or omissions in connection with their official duties or functions.

3.2 Local government personnel who have been found guilty of any offense in connection with their work during the five-year interval between milestone years, as defined in item 4.3 herein, shall not be entitled to the immediately succeeding anniversary bonus.

3.3 Those who are on absence without leave (AWOL) as of the date of the milestone year for which the Anniversary Bonus is being paid.

3.4 Those who are no longer in the service in the particular LGU as of the date of the milestone year.

3.5 Those who, at the time of the initial payment of the Anniversary Bonus under this Circular, are no longer in the service of the LGU granting the Bonus.

3.6 Those who are not hired as part of the organic manpower of government entities but as consultants or experts for a limited period to perform specific activities or services with expected outputs; student laborers; apprentices; laborers of contracted projects; mail contractors, including those paid by piecework basis; and others similarly situated.

3.7 Those who are paid on honoraria basis like the barangay officials and personnel.

4.0 Rules and Regulations

4.1 Local Government Units which are the territorial and political subdivisions of the state refer to Provinces, Cities, Municipalities and Barangays.

4.2 The founding year of LGUs shall be based on authentic documents showing their establishment, or on the enabling act or law creating such localities.

4.2.1 The counting of milestone years shall start from the year the LGU was founded regardless of whether it was subsequently renamed/reclassified/converted from one level to another.

4.2.2 A local government unit created as such or separated/split from another LGU under a distinct enabling act or law and, thus, deemed as an institution in its own right shall be considered a distinct and separate LGU for purposes of this benefit and the counting of milestone years shall begin from the time of the LGU's separation/splitting or creation as a separate entity.

4.2.3 With respect to merged LGUs, the counting of milestone years shall reckon from the date they were merged.

4.3 The anniversary bonus herein authorized shall be granted only during milestone years which refers to the 15th anniversary and to every fifth year thereafter of the founding of the LGU.

4.3.1 Officials and employees may be granted Anniversary Bonus only if the LGU where they are employed has been in existence for at least fifteen (15) years and has not yet granted any Anniversary Bonus prior to the effectivity of EO No. 316 and have rendered at least one (1) year service in the same LGU as of the date of the milestone year. (Illustrative Example 1, Annex A)

4.3.2 A LGU which is now, for example, on its 18th anniversary but has not granted any Anniversary Bonus may grant the same for its 15th milestone year in 1997. Two years hence, or in FY 1999, Anniversary Bonus for the next milestone year - the 20th anniversary - may be granted.

4.3.3 An official or employee of the LGU in the example in 4.3.2 above, who was hired after the government entity's 15th milestone year shall not qualify to receive the Anniversary Bonus in FY 1997, but only to the Anniversary Bonus that will be granted in FY 1999. (Illustrative Example 2, Annex A)

4.4 The initial grant of Anniversary Bonus in 1997 shall be for the latest milestone only, regardless of whether the LGU has existed for 50, 100, 200 or more years. There shall be no retroactive payment of milestone years.

4.5 Subject to availability of funds, payment of the Anniversary Bonus shall be in an amount not exceeding P3,000 each employee provided that the employee has rendered at least one (1) year service in the same LGU as of the date of the milestone year.

4.5.1 In case of insufficiency of funds, the local government unit concerned may grant the benefit at a rate lower than that prescribed herein, provided that such rate shall be uniformly applied to all its officials and employees.

4.6 No other bonus or allowances or whatever name it may be called, of a similar nature which relates to or is in connection with a local government unit's anniversary shall be granted.

5.0 Funding Source

The cost of implementing the benefit under this Circular shall be sourced strictly from the respective funds of the local government units, subject to the budgetary limitations/requirements under RA 7160.

6.0 Responsibility of Head of Local Government Units

The Provincial Governor, City or Municipal Mayor/Barangay Chairman shall be held responsible and personally liable for any payment of Anniversary Bonus not in accordance with the provisions of this Circular, without prejudice to the refund of any excess payment by the employee concerned.

7.0 Saving Clause

Cases not covered by the provisions of this Circular shall be submitted to the Secretary of Budget and Management for appropriate evaluation and resolution.

8.0 Effectivity

This Circular shall take effect immediately.

EMILIA T. BONCODIN
Acting Secretary

Annex "A"

1. LGU A celebrated its milestone year - the 15th - on June 24, 1995 but has not granted any AB prior to the effectivity of AO 316. It may grant AB to its officials and employees for the said milestone year in FY 1997 subject to the rules and regulations provided under AO 316.

   1.1 Employee A who was hired effective May 15, 1994 shall be entitled to the AB since he satisfies the one (1) year service requirement.

   1.2 Employee B who was hired effective January 1, 1995 shall not be entitled to the same benefit since he does not satisfy the one (1) year service requirement.

   1.3 Employee C who satisfied the minimum one-year employment with the agency but who transferred to another government entity before the actual payment of the initial Anniversary Bonus, shall no longer qualify to receive such Bonus from LGU A.

2. LGU B celebrated its 18th anniversary on March 15, 1996 but has not granted any AB as of FY 1996 or prior to the effectivity of AO 316. It may grant AB in FY 1997 to its officials and employees for its first milestone year - the 15th anniversary which occurred on March 15, 1993. However, Employee E who was hired after the date of the said milestone year shall not qualify to receive AB in FY 1997 but only to the AB that will be granted for the 2nd milestone year - the 20th anniversary - on March 15, 1998, of the local government entity.