

## AUTHORIZING GRANT OF PRODUCTIVITY ENHANCEMENT PAY

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WHEREAS, government agencies exerted commendable efforts to maximize the limited financial resources and thus ensure the success of the Austerity Program embodied under Administrative Order No. 103;

WHEREAS, in recognition of the contribution of government personnel in providing quality service to the Filipino people despite the austerity measures adopted in 2004;

WHEREAS, it is the policy of the government to improve the economic welfare of government personnel;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby direct:

SECTION 1. All personnel of national government agencies including government-owned or controlled corporations (GOCCs) government financial institutions (GFIs) whose employment is in the nature of a regular employee, whether permanent, temporary, casual and contractual basis and who have rendered at least four (4) months of service as of December 31, 2004, are entitled to receive Productivity Enhancement Pay (PEP) in the amount of Three Thousand Pesos (P3,000.00) each.

SECTION 2. Government personnel who have rendered less than four (4) months of service as of December 31, 2004 shall also be entitled to PEP on a pro-rated basis, 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%

SECTION 3. The PEP shall be granted to all government personnel who have not received any extra cash gift or additional benefit in FY 2004, over and above the year-end benefit authorized under R.A. No. 6686 as amended by R.A. 8441

SECTION 4. Funds needed to implement this Order shall be charged against the following:

a. For national government agencies except the Constitutional Offices/ Fiscal Autonomy Group (CFAG)

\* Available net savings reported by the departments/agencies as of December 31, 2004; and

\* All unreleased appropriations under the FY 2004 budget, which shall be pooled for the purpose.

b. For agencies belonging to the CFAG, the amount needed shall be charged against their available savings.

c. For GOCCs and GFIs the amount needed shall be charged against their respective corporate funds.

SECTION 5. Payment of this benefit shall not be made earlier than February 14, 2005.

SECTION 6. The implementing rules and regulations covering this Order shall be issued by the Department of Budget and Management.

SECTION 7. This Order shall take effect immediately.

Adopted: 09 Feb. 2005

**(SGD.) GLORIA MACAPAGAL-ARROYO**

By the President:

(SGD.) EDUARDO R. ERMITA  
Executive Secretary

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