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	<b>Systems of Rating and Ranking Officers and Employees for the Grant of Performance-Based Bonus (PBB) for FY 2016 and on FY 2017 onwards</b>	Effectivity:	27 April 2018

## 1.0 OBJECTIVE

To prescribe the guidelines and mechanics that shall provide the systematic and evidenced-based mechanisms and criteria to be adopted by LRTA pursuant to applicable government rules and regulations for FY 2016 and 2017 onwards.

## 2.0 SCOPE

Officers and employees of this Authority who occupy regular, casual or contractual positions

## 3.0 GUIDELINES

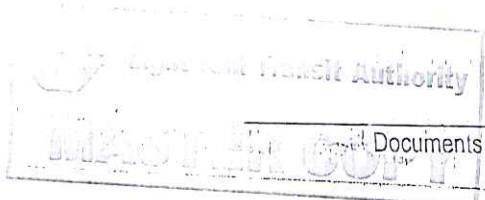
### 3.1 Eligibility/Coverage

3.1.1 All officers and employees shall be entitled full grant of PBB at the time of payout of the PBB; Provided they have rendered an aggregate of nine (9) months of service for the applicable year and with at least Satisfactory rating per approved CESPES/OPCR/IPCR for the required period.

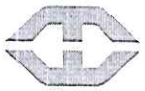
3.1.2 All officers and employees who rendered a minimum of three (3) months of less than nine months of service and with at least Satisfactory rating per approved CESPES/OPCR/IPCR/ for the required period shall be entitled to PBB on a pro-rata basis.

An Officer and employee may not be able to meet the minimum of nine (9) months of service due to the following reasons:

- Being a newly-hired employee
- Retirement
- Resignation
- Rehabilitation Leave
- Maternity leave and/or Paternity Leave
- Vacation or Sick Leave with or without pay
- Scholarship/Study Leave
- Sabbatical Leave
- Other leaves provided for by law



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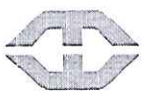
The following table shall serve as basis or reference for the pro-rated amount:

Length of Service	Percent of PBB
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

- 3.1.3 Personnel who transferred from LRTA to another government agency shall be rated and ranked by the agency where the employee served the longest. If equal months were served for each agency, the employee will be included in the recipient agency.
- 3.1.4 Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from LRTA.
- 3.1.5 An Official or Employee who is on vacation or sick leave, with or without pay, for the entire year is not entitled to the grant of PBB.
- 3.1.6 Officials or Employees with Below Satisfactory rating as indicated in their submitted approved CESPES/OPCR/IPCR shall not be entitled to PBB.
- 3.1.7 Officials and employees who failed to submit their complete CESPES/OPCR/IPCR are not entitled to PBB.
- 3.1.8 Officials and employees who failed to submit their latest Sworn Statement of Assets, Liabilities and Net worth as prescribed in the rules under the applicable CSC rules is not eligible to the grant of the PBB.
- 3.1.9 Officials and employees who failed to liquidate cash advances received in the applicable year within the reglementary period as stated in the prevailing COA Circular shall not be entitled the PBB.



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3.1.10 Personnel found guilty of administrative and/or criminal case/s in the applicable year by formal and executory judgment shall not be entitled to the grant of PBB; If the penalty meted out is only reprimand, such penalty shall not cause the disqualification to the PBB.

### 3.2. Exclusion

Those hired without employer-employee relationships and paid from non-Personal Services budget (i.e., hired/engaged through contract of service, job order, job contracts (pakyaw) or other similar mode; consultants and experts hired to perform specific activities or services with expected outputs; student laborers and apprentices);

### 3.3. Distribution System

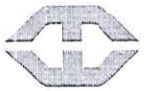
3.3.1. Grouping/Ranking of Personnel – The distribution of PBB among qualified LRTA Officers and Employees who have complied with the eligibility rules of this Guidelines shall be in accordance with the following procedure:

All qualified LRTA Officers and Employees shall be ranked on a percentile basis within their respective levels as determined by the LRTA Board of Directors through Management to determine the distribution of the PBB. The following guidelines shall be adopted by Management in setting up the grouping:

- a. *Senior Management (Group I)* – This covers the Executive Officers of LRTA (Deputy Administrator). This excludes the Administrator, the highest ranking Executive Officer at LRTA, who shall only be entitled to receive the Interim Performance-Based Incentive (PBI) for Appointive Directors pursuant to GCG MC. No. 2014-06 dated 27 October 2014 (SG 27- 30).

The Administrator has the prerogative to avail of either the Performance-Based Incentive (PBI) under GCG M.C. No. 2017, or the PBB but not both. In the event the Administrator is included in the PBB application, he must meet the eligibility requirements for the PBI and shall be ranked separately on his own and shall not be included in the forced ranking of Officers and Employees.

- b. *Middle Management (Group II)* – This Group includes individual contributors who are recognized as experts in their field of work with in-depth technical knowledge, project management and significant influence skills in their area of expertise. It covers those whose work is primarily achieved through others, with direct accountability for setting direction and deploying resources. They are

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responsible for people management including the evaluation of performance and typically hire/fire decisions. (SG 21-26)

- c. *Professional and Supervisory (Group III)* - This Group comprises the personnel whose work is primarily achieved by an individual or through project team. Requires the application of expertise in professional or technical area(s) to achieve results; employee has a university degree or equivalent work experience that provides knowledge and exposure to fundamental theories, principles and concepts. (SG 10-20)
- d. *Clerical/General Staff (Group IV)* - This group includes all clerical, administrative, secretarial personnel with little or no supervisory responsibility but independently contribute to the Authority. It also covers Processors, Drivers, skilled technicians, Administrative Assistant, etc. (SG-1 to SG-9).

### 3.3.2. Distribution of PBB for Qualified LRTA Officers and Employees

To provide for a basis in the distribution of PBB, the ratings based on individual CESPES/OPCR/IPCR of the officers and employees in each of the levels provided for in the grouping/ranking of personnel per Section 3.3. of this Guidelines shall be quantified to allow for ranking on a percentile basis for the purpose of distribution.

### 3.4. Rates of PBB


For uniformity, the harmonization of the PBB rates of all other GOCCs pursuant to the GCG Memorandum Circular (MC.) No. 2018-01 shall be applied only to the FY 2017 PBB onwards.

#### 3.4.1. PBB Rates for CY 2016

- a. Profitable GOCCs - The grant of the PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of the individual's monthly basic salary (MBS) as of December of 2016 based on the table below, but not to exceed the ceilings computed by using the same multiple to twice the basic salary of the comparable NG position as prescribed in the attached Annex A. Thus, the PBB for profitable GOCCs shall be distributed among its officers and Employees for FY 2016, as follows:

Percentile	Multiple
Top: Maximum 10%	2.50
Next: Maximum 25%	1.50



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Remaining: Minimum 65%	1:00
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*The percentile of the "Top" and "Next" levels are maximum figures with the discretion on the part of the LRTA Board/Management to decrease the figures and distribute them to the "Remaining" Level.*

- b. Losing GOCCs - The grant of the PBB shall also be based on the performance of the individual Officers and Employees with the following fixed rate of incentive; thus, Losing GOCCs shall distribute PBB among its Officers and Employees for FY 2016, as follows:

Percentile	Multiple
Top: Maximum 10%	25,000.00
Next: Maximum 25%	15,000.00
Remaining: Minimum 65%	7,500.00


### 3.4.2 Determination of Profitability

The resulting amount following the table below, as may be applicable, shall be the basis for determining a GOCC's profitability, to wit:

Total Comprehensive Income (TCI)	
Plus:	
1.	Unrealized Losses
2.	Disbursements of Program Subsidies Treated as expenses
Less:	
1.	Subsidies treated as revenues
2.	Subsidies granted to settle tax obligations for prior years
3.	<u>Unrealized Gains</u>
4.	All income or dividends received from Operating subsidiaries, regardless of Accounting entry



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For the 2016 PBB, the basis shall be the 2016 Audited Income Statement. However, GOCCs with negative Retained Earnings shall automatically be classified as a "Losing GOCC regardless of the resulting figure after the application of the above formula, and shall use the applicable fixed rates stated in Section 3. 4.1.b. herein, unless LRTA has been determined as profitable based on the above formula for two (2) consecutive years, inclusive of the current year.

### 3.4.3. PBB for FY 2017 and Years Thereafter

The one-time grant of the annual PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of the individual's monthly basic salary (MBS) as of 31 December of the applicable year based on the table below, but not lower than P5,000.00:

Percentile	PBB as % of MBS
Top: Maximum 10%	65.0%
Next: Maximum 25%	57.5%
Remaining: Minimum 65%	50.0%

*The percentile of the "Top" and "Next" levels are maximum figures with the discretion on the part of the LRTA Board/Management to decrease the figures and distribute them to the "Remaining" Level.*

Provided, that the total cost of the PBB shall not result in a net loss for the applicable year computed before subsidy and unrealized gains/losses, and after payment of all statutory obligations and liabilities.

### 3.5. Flexibility


The multiples and amounts herein are intended to provide a cap on the PBB that may be distributed by LRTA. However, nothing herein shall be construed to limit the business judgment or authority of the Governing Board when giving due regard to the financial condition and existing policies of LRTA, to reduce (a) actual amounts to be distributed, and/or (b) the distribution rates.

### 3.6. Grievance Mechanism

The Legal Department shall respond to all PBB-related issues and complaints raised by Officers and Employees in accordance with the grievance machinery that is in place at the Authority.



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### 3.7. Funding for the PBB

The funding for the grant of PBB shall be charged from LRTA's corporate funds , subject to the approval of the LRTA Board of Directors in accordance with applicable laws, rules and regulations.

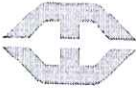
### 3.8. Separability Clause


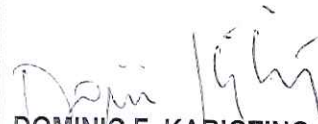


If, for any reason, any paragraph, part, term and/or provision in this guidelines is determined to be invalid or contrary to, or in conflict with any existing or future law or regulation, such shall not impair or affect the applicability of the remaining portions, sections, parts, terms and/or provisions of this document.

### 3.9. Repealing and Amending Clause

All rules, regulations, and resolutions of the LRTA inconsistent with or contrary to the provisions of these guidelines are hereby repealed or modified accordingly.



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