REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

May 27, 2004

REVENUE MEMORANDUM ORDER NO. 28-2004

Subject: **PROGRAM ON AWARDS AND INCENTIVES FOR SERVICE EXCELLENCE (PRAISE)**

To : **All Revenue Officials and Employees**

I. BACKGROUND

Pursuant to CSC Resolution No. 010112 and Memorandum Circular No. 01 s. 2001, this Order is being issued to enhance the Bureau's *Employee Suggestions and Incentive Awards System* (ESIAS) under RMO No. 34-93 as an effective tool in the grant of incentives and awards to uplift the morale of Bureau personnel.

II. OBJECTIVES

A. General

To encourage, recognize and reward employees, individually and in groups, for their suggestions, innovative ideas, superior accomplishments, heroic deeds, exemplary behavior, extraordinary acts or services in the public interest and other personal efforts which contribute to the efficiency, effectiveness and improvement in the operations of the BIR which lead to organizational productivity.

B. Specific

1. to identify outstanding accomplishments, best practices of employees on a continuing basis;
2. to recognize and reward accomplishments and innovations of employees periodically or as the need arises;
3. to provide incentives and interventions to motivate employees who have contributed ideas, suggestions, inventions, discoveries, superior accomplishments and other personal efforts.

III. POLICIES

A. The System shall now be called **Program on Awards and Incentives for Service Excellence *(PRAISE)*** which shall cover all BIR employees. It shall adhere to the principle of providing incentives and awards based on performance, innovative ideas and exemplary behavior. The PRAISE is designed to encourage, recognize and reward deserving employees of the Bureau for their exemplary behavior and accomplishment in the performance of duty, in the delivery of public service and in the attainment of organizational objectives.

B. The PRAISE shall provide both monetary and non-monetary awards and incentives to recognize, acknowledge and reward productive, creative, innovative and ethical behavior of employees through formal and informal mode. The CSC-approved PRAISE shall be the basis of the grant of the Productivity Incentive Benefits (PIB), other awards and incentives. The Annual PRAISE Report shall be submitted by the Bureau to the CSC-NCR on or before the thirtieth day of January to enable the employees to qualify for nomination to the CSC sponsored national awards.

C. The PRAISE shall be institutionalized through the creation of a PRAISE Committee. The PRAISE Committee shall recommend or nominate deserving BIR employees to the CSC sponsored National Awards such as Presidential or Lingkod Bayan Award, Outstanding Public Official/Employee or Dangal ng Bayan Award, PAGASA Award, or to any other award giving bodies.

D. Issues relative to awards and incentives shall be brought before the PRAISE Committee which shall address the same within fifteen (15) days from the date of receipt thereof.

IV. PRAISE COMMITTEE

A. Composition

The Committee shall be composed of two levels:

1. EXECUTIVE COMMITTEE

Chairperson : Chief of Staff - Office of the Commissioner
Co-chairperson : Deputy Commissioner for Resource Management Group

Members :

DCIR for Operations Group or authorized representative
DCIR for Legal and Inspection Group or authorized representative
DCIR for Information Systems Group or authorized representative
The ACIR of Human Resource Development Service shall serve as Secretariat

2.a. NATIONAL OFFICE (Service Level)

Chairperson - Assistant Commissioner of the Service
Co-chairperson - Head Revenue Executive Assistant of the Service

Members :

Division Chiefs (under the Service)
Two (2) representatives from the career rank-and-file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one from the first level and one from the second level).
The Personnel Division shall serve as the Secretariat.

b. REGIONAL OFFICE (Regional Level)

Chairperson - Regional Director
Co-chairperson - Assistant Regional Director

Members :

Chief, Legal Division
Chief, Administrative Division
Two (2) representatives from the career rank-and-file employees who shall serve for a period of two years and chosen through a general assembly or any other mode of selection to be conducted for the purpose or designated by the registered union in the absence of an accredited union (one from the first level and one from the second level).
The Human Resource Management Unit shall serve as the Secretariat.

B. Roles and Responsibilities

1. <u>EXECUTIVE COMMITTEE</u>

(1) The Executive Committee of the PRAISE shall be responsible for the development, implementation, monitoring and evaluation of the awards and incentives system of the Bureau;

(2) Evaluate and approve the nominees from the Service and Regional levels;

(3) Formulate the text of the citations in the plaques of recognition;

(4) Formulate, adopt and amend internal rules, policies and procedures to govern the conduct of its activities which shall include the guidelines in evaluating the nominees and the mechanism for recognizing the awardees;

(5) Determine the specific form(s) of awards and incentives to be granted to the employee;

(6) Prepare plans, identify resources and propose budget for the system on an annual basis;

(7) Submit an annual report on the awards and incentives system to the CSC on or before the thirtieth day of January for nomination to the CSC awards;

(8) Address issues relative to awards and incentives within fifteen (15) days from the date of submission.

2. SERVICE AND REGIONAL LEVELS

(1) Ensure that productivity, innovative ideas, suggestions and exemplary behavior can be identified, considered, managed and implemented on a continuing basis to cover employees at all levels;

(2) Establish a system of incentives and awards to recognize and motivate employees for their performance and conduct;

(3) Monitor implementation of approved suggestions and ideas through feedback and reports;

(4) Document best practices, innovative ideas and success stories which will serve as promotional materials to sustain interest and enthusiasm;

(5) Address issues relative to awards and incentives within fifteen (15) days from the date of submission.

V. TYPES OF AWARDS

Service/Regional Level Awards - are awards given by the Bureau to deserving employees. These awards shall refer to the following:

1. **Model Employee Award** – granted to an individual who excelled among peers in a functional group, position or profession. A cash award of not less than the amount provided under relevant existing laws shall be given to outstanding employees plus a certificate of recognition or other forms of incentives as the Committee may decide, e.g., Best Division Chief, Best Secretary, Best Legal Officer, Best Driver, Best Utility Worker and other similar awards.

2. **Gantimpala Agad Award** – given to employees commended by taxpayers for their courtesy, promptness, efficiency and dedication to duty. The commendation should be put in writing for purposes of documentation and validation.

3. **Exemplary Behavior Award** – is given to an official or employee for his/her consistent demonstration and observation of the eight (8) norms of conduct as provided under RA 6713 (Code of Conduct and Ethical Standards), namely: commitment to public interest, professionalism, justness and sincerity, political neutrality, responsiveness to the public, nationalism and patriotism, commitment to democracy, and simple living. It shall be the task of the PRAISE Committee to conduct a periodic and continuing review of the performance of officials and employees. The conferment of this award shall take into account, among other things, the years of service and the quality and consistency of performance, and the exemplary quality of the achievement. The awardee will be automatically nominated by the Bureau PRAISE Committee to the Dangal ng Bayan award.

4. **Model Office Award** -granted to the top organizational unit which may be a division or revenue district office on the basis of meeting the organization's performance targets and other pre-determined criteria stated under RMO No. 35-97 dated June 24, 1997 and RMO No. 52-98 dated June 22, 1998.

5. **Cost Economy Measure Award** - granted to an employee or team whose contributions such as ideas, suggestions, inventions, discoveries or performance of functions result in savings in terms of man hours and cost or otherwise benefit the agency and government as a whole. The monetary award shall not exceed 20% of the monetary savings generated from the contribution.

6. **Service Award** – conferred on *all* retirees in all occupational levels and groups under compulsory retirement scheme held during a fitting ceremony on or before the date of their retirement. Other forms of awards may include the giving of tokens such as wristwatch, ring, etc. commensurate to the number of years of service in the Bureau.

7. **Star Award –** conferred to individuals and/or office, team, group, task force who have exceeded the collection goal by at least 75%. The Star Awardees shall be announced during the annual BIR Anniversary celebration.

Award Category:

Category 1 - SPECIAL Tax Achievement Recognition Award
Category 2 - SUPERIOR Tax Achievement Recognition Award
Category 3 - SUPREME Tax Achievement Recognition Award

Reward/Prizes:

- The following rewards shall be given to winner(s) in each category:
  a) For the Special Tax Achievement Recognition Award
     - a bronze medal with ribbon
  b) For the Superior Tax Achievement Recognition Award
     - a silver medal with ribbon
  c) For the Supreme Tax Achievement Recognition Award
     - a gold medal with ribbon

- Cash prizes shall be given to the awardees subject to availability of funds.
- The respective group supervisor or Revenue District Office of the winning Revenue Officers shall be awarded *citations* in recognition of the assistance and guidance they extended to the winners in the exemplary performance of their work, provided said immediate superior has served as such for at least one year.

VI. TYPES OF INCENTIVES

The Bureau shall continuously search, screen and reward deserving employees to motivate them to improve the quality of their performance and instill excellence in public service. The recipient shall be entitled to a cash award under existing policies:

1. **Loyalty Incentive -** granted to an employee who has served continuously and satisfactorily the government for at least ten (10) years beginning January 1, 2002. The recipient shall be entitled to a cash award of not less than Php 500.00 but not more that Php 1,000.00 per year during the first ten years. Succeeding awards shall be given every five years thereafter. Besides cash award, a lapel emblem/loyalty pin shall be given:

   10 and 15 years - Bronze
   20 and 25 years - Silver
   30, 35 and 40 years - Gold

   Other tokens such as wristwatch, ring and others.

2. **Step Increment/Longevity Incentive -** given to an employee who has rendered at least three (3) years of continuous satisfactory service in the same position and which shall consist of step increments. The cash award shall be incorporated in the salary adjustments following the Joint CSC-DBM Circular No. 1, s. 1990.

3. **Productivity Incentive -** given to all employees who have performed at least satisfactorily for the year covered in accordance with the agency's CSC-approved PES. This incentive shall follow relevant existing guidelines. The grant of PIB for FY 1996 pursuant to Administrative Order (AO) No. 161, dated December 6, 1994, and years thereafter, shall be governed by the rules and regulations prescribed in National Compensation Circular (NCC) Nos. 73 and 73-A, dated December 27, 1994 and March 1, 1995, respectively.

   Employees who shall retire shall submit their performance rating for the semestral period prior to retirement to avail of the Productivity Incentive Benefits.

4. **Career and Self-Development Incentive -** awarded to those revenue personnel who have attended further educational advancement through the foreign scholarship programs offered to the Bureau. A plaque of recognition is given to the awardee during the Bureau's anniversary celebration. This is granted as a recognition when the scholarship grantees earn honors in their studies.

5. **Other Incentives -** which the Bureau's PRAISE Committee may recommend on the basis of special achievements, innovative approaches to assignments, exemplary service to the public and recognition by an outside group of a particular achievement.

5.1 Compensatory Time-Off - granted to an employee who has worked beyond his/her regular office hours on a project without overtime pay provided there is an authority to render overtime. An employee is awarded days off corresponding to the number of hours he/she rendered for overtime he or she spent on the project. The Head of the project, committee or task force shall monitor the overtime hours rendered by the employee. Moreover, the Head of the project, committee or task force shall issue a certification regarding the overtime hours rendered by the concerned employee which will be a basis of the incentive.

5.2 Flexiplace - work arrangement allowed for qualified employee/s who has demonstrated responsibility, initiative, and capacity to produce output/result and accomplishment outside of the workplace subject to established guidelines.

5.3 Time Credit - granted to an employee who has worked beyond his/her regular office hours on a project without overtime pay provided there is authority to render overtime. The number of hours rendered by the employee shall be credited to the earned vacation leave credits so that he/she can avail of the monetization. The Head of Office shall monitor the overtime hours rendered by the employee. Moreover, the Head of Office shall issue a certificate regarding the overtime hours rendered by the concerned employee which shall be a basis of the incentive.

5.4 Personal Growth Opportunities - incentives which may be in the form of seminars/trainings, books , journals, tapes and other learning opportunities. Another form is providing local scholarship opportunities to deserving employees based on the qualifications specified in Revenue Memorandum Order (RMO) No. 37-2003 dated September 23, 2003.

5.5 Trophies, Plaques and Certificates - other forms of award granted as a recognition to deserving employees who have demonstrated exemplary performance.

5.6 Monetary Incentives - granted to an individual or group of individuals in accordance with the guidelines stipulated in the financial and budget plans of the Bureau.

VII. FUNDING SOURCE

The cost of implementing this Program shall be sourced from appropriations provided for the purpose. Where no funds are appropriated, it shall be sourced strictly from savings from released allotment, provided that all authorized mandatory expenses shall have been paid first.

VIII. REPEALING CLAUSE

All other issuances and/or portions thereof inconsistent herewith are hereby repealed and amended accordingly.

IX. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
GUILLERMO L. PARAYNO JR.
Commissioner of Internal Revenue

14 June 2004
Date

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CSC Action:

I have evaluated the herein PRAISE and found it to be in accordance with the provision of CSC MC _____, s. 2001 and may now be implemented.

(Original Signed)
AGNES D. PADILLA
Director IV
CSC Regional Director
(Signature over Printed Name)

February 14, 2005
Date