

**MELENDRES, Fernando A.**

Re: Opinion; Loyalty Award;

MC No. 17, series of 1999

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## RESOLUTION NO. 001120

Fernando A. Melendres, Executive Director, Lung Center of the Philippines (LCP), Quezon Avenue, Quezon City, requests the Commission for a clarification regarding the issue of the applicability of the increase of the loyalty cash award from P100.00 to P300.00, given to qualified government officials and employees.

The letter-request of Melendres reads, in part, as follows:

*"This refers to the CSC Memorandum Circular No. 17, s. 1999 regarding the increase in Loyalty Cash Award.*

*"The Lung Center of the Philippines is giving this Cash Incentive every year during the Civil Service month celebration to all qualified employees of this Center. The period covered for the 1999 awards was between October 1, 1998 and September 30, 1999.*

*"Last October 6, 1999, we gave P100.00 for every year of service to all qualified personnel.*

*"However, the receipt of MC #17, created some confusion, particularly the increase of the cash award from P100.00 to P300.00 per year of service effective July 1, 1999.*

*"In view of this, will you please clarify if the recipients of LCP's September 1999 Loyalty Award are already entitled to P300.00 per year of service under MC #17."*

It is represented that Memorandum Circular No. 17, s. 1999, (Increase in Loyalty Cash Award) created some confusion with respect to its proper implementation. Hence, a clarification is requested in order to determine who are qualified to avail of this increase.

Pertinent to the discussion is **Memorandum Circular No. 17, s. 1999 (Increase in Loyalty Cash Award)**, which reads, in part, as follows:

*"Section 7 (e) Rule X of the Omnibus Rules Implementing Book V of E.O. 292 provides for the grant of incentive awards, which include among others the loyalty award which shall not be less than P100.00 per year of service chargeable to the savings of the agency.*

*"In order to promote morale, efficiency and integrity, responsiveness and courtesy in the civil service, and to strengthen the merit and reward system, the Commission resolved to increase the loyalty cash award from P100.00 per year of service to all government officials and employees who will complete at least ten (10) and quintuple years of continuous and satisfactory service effective July 1, 1999." (Underscoring ours)*

From the foregoing, it is clear that only those government officials and employees who have completed at least ten (10) years and five (5) years thereafter of continuous and satisfactory service on July 1, 1999 will be entitled to receive the loyalty cash award computed in the increased amount of P300.00 for every year of service.

Moreover, those who have received their cash awards during their first 10 years prior to July 1, 1999, but will reach 15 years of service by July 1, 1999, shall receive the loyalty cash award for the last five (5) years in the amount of P300.00 per year of service.

In other words, the factor determinative of an employee's entitlement to the increased amount of P300.00 is actual date when he completes the ten (10) years and the succeeding five (5) years of service. Hence, if such completion happens before July 1, 1999, the employee will receive only P100.00 per year of service.

Based on the foregoing, all officials and employees of the LCP, who have reached ten- (10) or quintuple years of continuous and satisfactory service as of September 1999, are entitled to the P300.00-per-year-of-service loyalty cash award. Conversely, those who completed such years of service before July 1, 1999, are entitled only to the P100.00-per-year-of-service loyalty cash award.

**WHEREFORE**, the Commission hereby rules that only those government officials and employees who have completed at least ten (10) or quintuple years of continuous and satisfactory service as of July 1, 1999 or thereafter shall be entitled to receive the loyalty cash award computed in the amount of three hundred pesos (P300.00) for every year of service.

Quezon City, **MAY 03 2000**

(SGD.)  
**CORAZON ALMA G. DE LEON**  
Chairman

(SGD.)  
**JOSE F. ERESTAIN, JR.**  
Commissioner

Attested by:

(SGD.)  
**ARIEL G. RONQUILLO**  
Director III

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