

**NICOLAS, Manuel T.**  
Re: Mid-Year Bonus; Clothing  
Allowance  
X-----X

**RESOLUTION NO. 021138**

Manuel T. Nicolas, former employee of this Commission, in a letter dated May 27, 2002, requests that the mid-year bonus and half of the clothing allowance for the year 2002 be granted to him. He represents, as follows:

*"My retirement from the service takes effect on June 1, this year. This is perhaps the reason why I no longer receive the usual perks and benefits given to the employees, specifically the clothing allowance and the mid year bonus for this year. Considering, however, that I still rendered my services for the first half of the year and for humanitarian reason, as well, may I request for a resolution granting me half of the clothing allowance and the mid-year bonus."*

Under **Department of Budget and Management (DBM) Circular No. 2000-18 dated September 6, 2000 [Grant of Year-End Bonus and Cash Gift and Advance Payment of One-Half (1/2) Thereof for FY 2000 and Years Thereafter]**, specifically **Item 2.1** thereof, it is provided that:

*"2.0 Coverage*

*'2.1 All government personnel, whether appointive or elective, under regular, temporary or casual status, and contractual personnel whose employment is in the nature of a regular employee who are under the following instances from January 1 to October 31 of each year and are still in the service as of October 31, of the same year:' (Emphasis ours)*

X X X"

It is explicit that the grant of Year-End Bonus is subject to an employee's incumbency in government service until October 31 of any given year. Stated otherwise, a government employee, irrespective of his employment status, should be in the service as of October 31 of a given year, in order that he be entitled to the grant of the full amount of the mandated Year-End Bonus. Corollarily, if for any cause as enumerated under **Item 3.0** hereunder of the same DBM Budget Circular, a government employee's ties with the government is severed before October 31 of any given year, his entitlement to the grant of

the said benefits *ipso facto* lapses. Said Item 3.0 provide:

### *"3.0 Exemptions*

*`All government personnel under the following instances as of October 31 of each year shall not be entitled to the benefits authorized herein:*

*`3.1 those who are absent without leave (AWOL);*

*`3.2 those who are no longer in the service due to retirement/resignation/ separation/death or for whatever reasons;*

*`3.3 those who are hired not as part of the organic manpower of agencies 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 (pakiao); mail contractors including those paid on piecework basis; and others similarly situated.*

*`3.4 Those who are formally charged administrative cases as well as criminal cases which relate to acts or omissions in connection with their official duties and functions and found guilty and/or meted penalties shall not be entitled to the benefits authorized herein in the year the decision was handed down.*

*`3.4.1 In this regard, if the penalty meted out is only a reprimand, such penalty is not one that can be made the basis of disqualification to receive the said benefits."  
(Emphasis supplied)*

Clearly, an employee who has resigned, retired or no longer in the government service for whatever reason before October 31 of each year is not entitled to the Year-End Bonus. Since Nicolas is no longer in the service as of October 31, 2002 as he already retired last June 1, 2002, he is no longer entitled to receive the said benefits. The fact that he rendered actual service for the first five (5) months of this year will not qualify him to receive the same, not even the Mid-Year Bonus or half-of the Year-End Bonus.

It is also evident under **Item 4.7** of the aforestated DBM Circular that employees who are no longer in the government service prior to October 31 of each year are not entitled to the said benefits. It provides:

*"4.7 Government personnel who received advance payment of one-half (1/2) of the benefits authorized herein but are no longer in the service as of October 31 of the same year shall be made to refund the same."*

Thus, despite the receipt of the mid-year bonus, an employee shall be made to refund the same in the event that

he/she resigns, retires or is no longer in the service for whatever reasons as of October 31. Obviously, whether the employee has rendered actual service prior to October 31 is not a basis for the grant of the same.

Squarely applicable to the herein case is **CSC Resolution No. 01-1744 dated October 29, 2001** wherein the Commission held, as follows:

*"There is no dispute that as represented in her present request, Rabe can be deemed officially compulsorily retired from the service as of September 30, 2001. Ordinarily then, Rabe becomes disqualified to receive the Year-End Bonus, pursuant to the aforequoted proviso of the same DBM Budget Circular abovementioned which thereunder qualifies that a government official or employee should be in the service as of October 31, 2001."*

As to his claim for one half (1/2) of the clothing allowance for the year 2002, **CSC Resolution No. 02-0704 dated May 14, 2002** states, in part, as follows:

*"WHEREAS, item (a), Section 305, Article of the Government Accounting and Auditing Manual states:*

*`(a) Annual clothing allowance shall be given to all employees, whether employed on permanent or emergency basis, who are in the service for at least six (6) consecutive months, provided they serve the agency for another six (6) months from the day they receive the allowance."*

X X X

*"BE IT RESOLVED FURTHER that the grant of the said allowance shall be made on the following conditions:*

X X X

*Employees who are due to retire within the year may opt to receive their clothing allowance in cash or in kind, provided they are still in the service for at least six (6) months from the day they receive the allowance. For this purpose, the reckoning date considered as date of receipt of allowance shall be January 1, 2002."*

It is clearly provided therein that an employee who is due to retire within this year is entitled to the clothing allowance for year 2002 provided that he is still in the service for at least six (6) months from receipt of the said allowance or January 1, 2002. Under the present circumstances, Nicolas retired on June 1, 2002. Consequently, he fell short of the required six (6) months in order to be granted the clothing allowance.

**WHEREFORE**, the request for the grant of the Mid-Year Bonus and half of the clothing allowance of Manuel T. Nicolas

is hereby **DENIED**.

Quezon City, SEP 05 2002

(Signed)  
**KARINA CONSTANTINO-DAVID**  
Chairman

(DID NOT PARTICIPATE)  
**JOSE F. ERESTAIN, JR.**  
Commissioner

(Signed)  
**J. WALDEMAR V. VALMORES**  
Commissioner

Attested by:

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

*FPG/RTM/X4/X18/rco(fuji 14)*  
*ndc-02-0554/nicolas*