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DEPARTMENT OF EDUCATION

OFFICE OF THE UNDERSECRETARY
FOR REGIONAL OPERATIONS

MEMORANDUM
CMT 2014-017

TO: Undersecretaries
Assistant Secretaries
Bureau/Service/Center Directors
Regional Directors
Schools Division Superintendents
ALL Concerned Employees

*To: SDSs
For your guidance
Please - Thanks.
Jed P. Rivera
10 May 2014*

FROM:  RIZALINO D. RIVERA
Undersecretary for Regional Operations

SUBJECT: Additional Clarifications for Affected Employees who chose
the Retirement/Separation Option under EO 366 s. 2004

DATE: 06 May 2014

In reference to the Approval of the DepEd Rationalization Plan by the Department of Budget and Management (DBM) dated November 15, 2013, we would like to inform everyone about recent clarifications from the DBM on the following areas:

- Employees who retired/resigned from government service between November 15, 2013 and January 15, 2014
 - Computation of Additional Incentives under EO 366
1. Employees whose items were affected by the rationalization efforts and who retired/resigned from government service within the period of November 15, 2013 to January 15, 2014 are entitled to avail of the incentives under the EO 366 Government Rationalization Program.
 2. This is within the provisions of EO 366 s. 2004 IRK Section 16, which stated that "the retirement/separation package provided under EO 366 shall be available up to two (2) months after the President's approval of the Plan of the Department/Agency", in this case approval from the DBM dated November 15, 2013.
 3. All offices are directed to inform the concerned employees and include their names in the request for incentives to be submitted to DBM. The date of reckoning for these concerned employees shall be their actual date of retirement / resignation.

Received: Joseph
5/12/14
4857



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4. In relation to this, we would like to remind all offices that the formula for the Computation of the Incentives as stated in Section 14 of the IRR of EO 366 s. 2004 is still as follows:

Formula: $I = IF \times BMS \times Y$

where

I = Incentive
IF = Incentive Factor
BMS = Basic Monthly Salary as of Dec 31, 2011*
Y = length of government service

Incentive factor based on BMS:

50 % = Less than 21 years of service
75 % = 21 to less than 31 years of service
100 % = 31 years of service and above

*Note: as amended by EO 77 s.2012 on the Basis of Computation of the Incentives of Personnel affected by the Implementation of the Rationalization Program under EO 366 s. 2004

5. For retiring/separating employees 60 years old and above, only the government service up to age 59 and a fraction thereof (*maximum is 59.99621*) shall be counted. However, the **incentive factor shall be based on the gross number of years in government service.**

For example, the incentive computation for a 61-year-old employee who chose to retire under EO 366:

Position	Administrative Aide IV (SG 4) Step 1	
Basic Monthly Salary (BMS) as of Dec. 31, 2011	Php 10,358.00	
Age: 61.00 years old	GROSS Years Of Service (YOS) = 31.00 years	
Recomputed Years Of Service	<i>Excess years of service after age 59 and a fraction thereof:</i> 61.00 - 59.99621 = 1.00379 Gross YOS - Excess YOS = 31.00 - 1.00379 = 29.99621	
Incentive Factor	if based on recomputed YOS: 75 % of the BMS in Dec 2011	if based on gross YOS: 100 % of the BMS in Dec 2011
Total Incentive:	= 0.75 x 10,358 x 29.99621 = Php 233,025.55	= 1 x 10,358 x 29.99621 = Php 310,700.74
	Difference: Php 77,675.18	



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6. All offices should review the computations for the incentives of the retiring/separating employees before submission to the Central Office on **May 13, 2014 12:00 noon**.
7. HRMOs / Database teams should also prepare the duly-attested service records of the employees. These will be submitted as attachment to the request for incentives and terminal leave benefits to the respective regional DBM office/s.

For immediate dissemination.
Please be guided accordingly.