



**REPUBLIC OF THE PHILIPPINES**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
 GENERAL SOLANO ST., SAN MIGUEL, MANILA

**CORPORATE OPERATING BUDGET**  
 Calendar Year 2016

**TO: PHILIPPINE RETIREMENT AUTHORITY (PRA)**

Your Corporate Operating Budget (COB) for Calendar Year 2016 per approved Board of Trustees Ad Referendum Resolution No. 02, s. 2016 dated March 31, 2016 submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total of **TWO HUNDRED FORTY FOUR MILLION NINE HUNDRED SIX THOUSAND PESOS ONLY (P244,906,000.00)**, details of which are shown below:

| PARTICULARS                                     | PROPOSAL<br>(a)      | APPROVED<br>(b)      | VARIANCE<br>(c=b-a)    |
|---|----------------------|----------------------|------------------------|
| <b>TOTAL SOURCES:</b>                           | <b>P 617,256,000</b> | <b>P 617,256,000</b> | <b>P -</b>             |
| Corporate Funds                                 | 617,256,000          | 617,256,000          | -                      |
| <b>TOTAL USES:</b>                              | <b>P 354,299,000</b> | <b>P 244,906,000</b> | <b>P (109,393,000)</b> |
| Personnel Services (PS)                         | 56,069,000           | 45,122,000           | (10,947,000) a/        |
| Maintenance and Other Operating Expenses (MOOE) | 218,878,000          | 156,146,000          | * (62,732,000) b/      |
| Capital Outlays (CO)                            | 79,352,000           | 43,638,000           | (35,714,000) c/        |
| <b>Excess/(Shortfall)</b>                       | <b>P 262,957,000</b> | <b>P 372,350,000</b> | <b>P 109,393,000</b>   |

\*net of non-cash items P9Million

**Footnotes:**

a/ The variance of P40,947,000 for PS is computed as follows:

I. Overprovision of the items enumerated below (based on 70 filled positions as of May 31, 2016 and 26 positions to be filled up)

|  |                     |  |
|--|---------------------|--|
| Salaries                                     | P 3,441,000         | } Computation is based on 70 filled positions as of May 31, 2016 plus 26 positions to be filled from July to December 2016 |
| Personnel Economic Relief Allowance          | 358,000             |  |
| Uniform/Clothing Allowance                   | 115,000             |  |
| Year-end Bonus                               | 741,000             |  |
| Cash Gift                                    | 69,000              |  |
| Retirement and Life Insurance Premiums       | 678,000             |  |
| Employee Compensation Insurance Premiums     | 18,000              |  |
| PAG-IBIG Contributions                       | 18,000              |  |
| PHILHEALTH Contributions                     | 83,000              |  |
| Representation and Transportation Allowances | 469,000             | } Computed in accordance with Sec. 59, R.A. FY 2016 GAA  |
| Productivity Enhancement Incentive           | 2,613,000           | } P5,000/month   |
| Loyalty Award                                | 85,000              | } Maximum of P10,000 for the first 10 years of continuous service and maximum of P5,000 for every 5 years thereafter       |
| Performance Based Bonus                      | 2,259,000           | } Computed at 1/2 month salary of employees  |
| <b>Total</b>                                 | <b>P 10,947,000</b> |  |

b/ MOOE level is computed considering actual/audited expenses for the previous years, and the effects of inflation.

c/ CO level based on costs of feasible/doable projects to be implemented up to year-end.

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**(PRA - 62001)**

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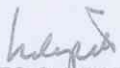
**PHILIPPINE RETIREMENT AUTHORITY (PRA)**

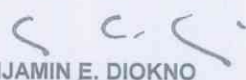
The approval of the COB shall be subject to the following conditions:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of Republic Act No. (R.A.) No. 10717, the FY 2016 General Appropriations Act (ex. Representation and Transportation Allowances under Section 59, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 47, General Provisions of R.A. No. 10717.
4. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
7. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

**Recommending Approval:**

**Approved:**

  
**LORENZO C. DRAPETE**  
Director, BMB-C 4

  
**BENJAMIN E. DIOKNO**  
Secretary

Date: **AUG 24 2016**

Department of Budget and Management  
BTS

COB-C2-16-0019

cc: The Chairman  
Board of Trustees, PRA  
Commission on Audit (COA) - Central Office  
  
The Resident Auditor  
COA - PRA



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