

Outsourcing brief

Q2 2019



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REVENUE MEMORANDUM ORDER (RMO) NO. 28-2019 PRESCRIBING POLICIES AND GUIDELINES ON THE REGISTRATOIN REQUIREMENT OF FOREIGN NATIONALS

Following the signing of the joint guidelines by the Department of Labor and Employment (DOLE), Department of Justice, Bureau of Immigration, and Bureau of Internal Revenue (BIR) to harmonize regulations on issuing permits to foreign nationals, RMO No. 28-2019 was issued to prescribe policies and guidelines on the registration requirements of foreign nationals seeking employment or intending to engage in business in the Philippines.

Foreign nationals shall secure a Tax Identification Number (TIN) before they can be issued permits. A TIN is also required for nonresident aliens engaged in business, on whose behalf the withholding agent should apply. The guidelines list down the place of registration and the required documentation based on the purpose of the TIN application.

For more details on RMO No. 28-2019, visit the BIR website at www.bir.gov.ph

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CIRCULAR NO. 2019-009: GUIDELINES ON PAYING MATERNITY BENEFITS EFFECTIVE MARCH 11, 2019

Circular No. 2019-009 provides guidelines on paying the maternity benefit that took effect on March 11, 2019 to female workers in the private sector, as enumerated under the Social Security Act of 2008.

Female members, who have given birth either through normal delivery or through caesarian section, are entitled to a daily cash allowance equivalent to 105 days.

Female workers who qualify as solo parents are given an additional 15 days of paid leave. Those who had a miscarriage or an emergency termination of pregnancy shall be given 60 days of paid leave.

The female member is entitled to the benefit regardless of frequency. She shall receive her full pay, in a manner prescribed by SSS, which consists of the SSS benefit computed based on her average daily salary credit and the salary differential paid by her employer, if any. The maternity leave benefit can be used before or after the delivery, as long as the postnatal leave is not less than 60 days. This should be in a continuous manner and cannot be deferred.

ELIGIBILITY

The female member must have paid at least three (3) monthly contributions in the 12-month period immediately preceding the semester of birth, miscarriage, or emergency termination and must have given the Social Security System (SSS) a notice of pregnancy and the expected delivery date through their employer to qualify for the benefit.

LIMITATIONS TO THE GRANT OF MATERNITY BENEFITS

Sickness benefits cannot be claimed at the same time the maternity benefit is received. If the two maternity benefit claims overlap, maternity benefits shall still be granted, but the amount that will be given on the second maternity claim will be decreased by the amount of benefit for the period when the overlap occurred. The number of children delivered during childbirth shall not matter in the payment of the benefit.

LIABILITY OF THE EMPLOYER

The employer of the female worker shall be held liable to SSS if it fails to remit to the SSS the required contributions of the female worker and if it fails to transmit the female workers' notification of pregnancy and expected delivery date. The amount to be paid to SSS shall be equivalent to the amount of the benefit the female worker would have been entitled to, had the employer fulfilled their responsibilities.

ALLOCATION AND NOTIFICATION REQUIREMENT

The qualified female worker, at her discretion, may allocate up to seven days of her benefits to the child's father, regardless of whether the father is married to her. This allocation is on top of the benefit the father receives under the Paternity Leave Act of 1996. The female worker may also allocate seven days of her benefits to an alternate caregiver, if the father is dead, absent, or incapacitated. The allocation is applicable only for childbirth and shall be used either in a continuous or intermittent manner, not later than the period of maternity leave availed of.

The female worker shall inform her employer of her option to allocate. The father or alternate caregiver shall also notify their own employer of the availment of the allocated leave and the dates thereof.

is provided under RA 8187, or the "Paternity Leave Act of 1996."

The option to allocate maternity leave credits shall not be applicable if the female member suffers miscarriage or emergency termination of pregnancy.

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EMPLOYERS OTHER RESPONSIBILITIES

Employers shall observe female employed member's rights to:

- i. Grant additional maternity leave of 30 days without pay at the option of the female employed member, subject to notification requirements;
- ii. Grant of maternity leave benefits after termination of employment, provided that the childbirth, miscarriage, or emergency termination of pregnancy occurs not more than 15 calendar days after the termination;
- iii. Grant of maternity leave benefits to a female employed member, even if she has a pending administrative case;
- iv. Non-diminution of benefits
- v. Security of Tenure and
- vi. Nondiscrimination

The prescriptive period for filing with the SSS is 10 years from the date of delivery, miscarriage, or emergency termination of pregnancy.

For more information on the provisions of Circular No. 2019-009, you may visit www.sss.gov.ph

CIRCULAR NO. 2019-010 SSS-ACCREDITED REMITTANCE AND TRANSFER COMPANIES (RTCs)

SSS published the list of Real-time Processing of Contributions (RTPC)-compliant Remittance and Transfer Companies (RTCs) that are now accredited to accept SSS payments. It also published the non-RTPC-compliant RTCs that can only start collecting once they satisfy the RTPC requirement of the use of a payment reference number.

	Real Time Processing of Contributions (RTPC) Compliant		Non-RTC Compliant
1	CIS Bayad Center, Inc. (CBCI)	1	Expresspay, Inc. (Expresspay)
2	Electronic Commerce Payments, Inc. (ECPay)	2	New York Bay Philippines, Inc. (NYBP)
3	G-Xchange, Inc. (GXl)		
4	I-Remit, Inc. (IREMIT)		
5	LMI Express Delivery, Inc. (LMI)		
6	Pinoy Express Hatid Padala Services, Inc. (Pinoy Express)		
7	Sky Freight Forwarders, Inc. (SFFI)		
8	SM Mart, Inc. (SMI)		
9	Ventaja International Corporation (VIC)		

The program on RTCs as paying agents of SSS will be implemented once the Member Loans Department and Benefits Administration Division have set their guidelines for enforcing the program.

For more details on Circular 2019-010, visit the SSS website: www.sss.gov.ph

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CIRCULAR NO. 2019-0003: EXPANSION OF THE PRIMARY CARE BENEFIT (EPCB) TO COVER FORMAL ECONOMY, LIFETIME MEMBERS, AND SENIOR CITIZENS

Circular No. 2019-0003 provides guidelines on the expansion of the primary care benefit to all eligible beneficiaries in the Formal Economy (employed), Lifetime Members (retirees), and Senior Citizens.

General Guidelines

- A. All eligible members under the Formal Economy, Lifetime Members, and Senior Citizens and their qualified dependents shall be eligible to avail of the expanded primary care benefit in accredited Expanded Primary Care Benefit (EPCB) Health Care Institutions (HCIs).
- B. EPCB shall include health screening and assessment, diagnostic services, follow-up consultations, and medicines. The health screening shall be based on life stage essential services, as provided in Department of Health (DOH) Administrative Order No. 2017-0012. Drugs or medicines shall cover the following conditions: AGE, Urinary Tract Infection, low-risk Pneumonia, Upper Respiratory Tract Infection, Asthma, Hypertension, and Diabetes Mellitus Type II.
- C. Out-patient departments or sections of accredited Level 1, 2, and 3 private and government hospitals shall be deemed accredited as EPCB HCIs, provided that the requirements are satisfied.
- D. Non-hospital facilities such as, but not limited to, Ambulatory Surgical Clinics (ASCs), Infirmary/Primary Care Facilities (PCF), and non-DOH-licensed private medical outpatient clinics that are willing to be an EPCB HCI must comply with accreditation standards.
- E. Benefits shall be at an average of Php 800 per family per year with fixed co-payment. A risk-based capitation fee shall apply.
- F. All existing eligibility rules for availing of benefits shall apply.
- G. Members in the Indigent Sector, Sponsored, Organized Group, and Land-based OFW who have previously been assigned, enlisted, or registered in an accredited PCB HCI shall continue to avail their benefit from their current provider, unless a transfer has been requested.
- H. Fixed co-payment shall apply, in accordance to guidelines as provided for in Circular No. 2019-0003.

- I. A No Balance Billing (NBB) policy shall apply based on existing guidelines.
- J. All existing guidelines for Persons with Disability (PWDs) and Senior Citizens discounts shall apply.

Circular No. 2019-0003 also prescribes specific guidelines on assigning a member and their family to a specific EPCB HCI, benefit availment, and Per Family Payment.

Employers are expected to comply with existing policies on using Electronic Premium Reporting Systems in preparing and transmitting remittance reports, and ensuring monthly remittance and reporting of premium contribution by their employees. Employers should also facilitate the updating of member data records and assignment of their employees to their chosen EPCB HCI.

For more details on Circular No. 2019-0003, visit the PhilHealth website: www.philhealth.gov.ph

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CIRCULAR NO. 2019-0004: REQUIRED QUALIFYING CONTRIBUTIONS FOR ELIGIBILITY FOR PHILHEALTH BENEFITS

Circular No. 2019-0004 provides guidelines on the required number of contributions needed for members under the Formal Economy and individually paying members under the Informal Economy to be entitled to PhilHealth benefits.

To become eligible for PhilHealth benefits, the member must have been able to contribute a total of nine months within the immediate 12 months before the first day of availing of the benefit. At least three months' contribution should have been made within the immediate six months before the first day of confinement and sufficient regularity of payment of premium contributions must be satisfied.

Exemptions on the required sufficient regularity of premium contributions for benefit entitlement and availment

The following members are exempted from the rule on sufficient regularity:

1. Members with validity period
 - a. Indigent Members
 - b. Overseas Filipino Program (OFP) members
 - c. iGroup Members
 - d. Members tagged as Point of Service (POS), both Financially Incapable (FI) and Financially Capable (FC)

2. Members with automatic and continuous availment
 - a. Lifetime members
 - b. Senior citizens
3. Kasambahays
4. Group enrollment members and directly hired job order workers, contract of service- and project-based personnel in the government
5. Women About to Give Birth (WATGB)

Specific provisions

1. **Change in membership category**
Members and dependents shifting to the informal economy members should comply with certain conditions to ensure continuous entitlement to the benefit.
2. **Proof of contributions for benefit availment of various membership categories.**
If contributions are not reflected in the PhilHealth online verification system, proof of contributions must be submitted to the healthcare providers to facilitate availment of benefits.
3. **Provisions on the 3/6 qualifying contributions for benefit availment**
Newly enrolled members and first-time employees with less than 12

months of employment from the initial date of payment shall only be required at least three months' contribution within the immediate six months prior to the first day of availment.

4. Entitlement of dependents of a deceased member

A deceased member's dependent spouse and children may use the unexpired portion of coverage of a deceased member in the counting of qualifying contributions and availment of Phil Health benefits.

5. Retroactive payment of premiums

For retroactive payments to be considered qualifying contributions, it must be paid before the first day of availment.

6. Members covered by fortuitous events

Members granted with special privileges due to fortuitous events shall be allowed to pay their premiums within the extension period of premium payment.

For more details on Circular No. 2019-0004, visit the PhilHealth website: www.philhealth.gov.ph

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LABOR ADVISORY 04-2019 GUIDE FOR COMPLIANCE OF ESTABLISHMENTS TO DO No. 198-18

DOLE released a guide for covered establishments to comply with Department Order 198-18, or the Implementing Rules and Regulations (IRR) of Republic Act No. 11058 entitled “An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof.”

1. Classification of Establishments

The establishment shall be responsible for conducting its Hazards Identification and Risk Assessment and Control (HIRAC) to determine its own level of risk classification. The results and the number of workers shall be used to come up with the number of safety officers, Occupational Health personnel, medical services, and facilities required in compliance with the IRR.

2. Appointment of Safety Officer

The establishment’s Human Resources unit should appoint and certify a safety officer based on qualification requirements, such as the completion of required training and years of relevant experience.

3. Mandatory Workers’ Occupational Safety Health (OSH) Seminar

The establishment should conduct a mandatory Workers’ OSH Seminar for

all workers and/or employees at no cost to the employees and during working hours. The seminar may be conducted by the establishment’s safety officer or any DOLE-accredited OSH practitioner or consultant. The training material is available on the DOLE website.

4. OSH Program

The establishment has the option use the OSH program template prepared by DOLE, which shall be submitted to the DOLE office having authority over the establishment.

5. OSH Reports

Employers shall submit to DOLE the following reports:

- i. Employer’s Work Accident/Injury Report (WAIR) for work-related cases resulting in disabling injuries or conditions
- ii. Annual Work Accident/Injury Exposure Data Report (AEDR) with or without accident cases
- iii. Annual Medical Report (AMR)
- iv. OSH Committee Report

For more information on Labor Advisory 04-2019, you may visit the DOLE website at www.dole.gov.ph

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DOLE WAGE RATES

Here are the updated wage rates for the quarter.

Circular No.	Description	Wage rate		Effectivity date	Date of publishing
RXIII - 16	<ul style="list-style-type: none"> Integration of COLA under Wage Order No. RXIII-15 into the basic wage and P15 per day new COLA 	P320.00 (P305 basic pay + P15.00 COLA)	Minimum Wage Earners	May 1, 2019	April 16, 2019 Mindanao Daily News
RB I- 20	<ul style="list-style-type: none"> Ranging from P17.00 – P30.00 basic wage increase per day 	30 or more employees P340.00 10-29 - P310.00 1-9 (above 3M to 15 M) - P282.00 1-9 (3M and below) - P 273.00	Minimum Wage Earners	April 30,2019	April 15,2019 Northern Times
RBI-DW-02	<ul style="list-style-type: none"> P1,000 increase 	P4,500 – chartered cities and municipalities P3,500 – other municipalities	Domestic Workers	April 30,2019	April 15,2019 Northern Times
RBVI- DW-03	<ul style="list-style-type: none"> P500 – cities and first class municipalities P1,000 – other municipalities 	P4,000 – cities and first class municipalities P4,000 – other municipalities	Domestic Workers	May 8, 2019	April 23,2019 Negros Daily and Negros Daily Bulletin

For more information about the prevailing wage rates, visit the National Wages Productivity Commission website:
nwpc.dole.gov.ph

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