



P&A Grant Thornton

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Outsourcing brief

Q4 2014

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2015 Holidays

Proclamation No. 831: Declaring the regular holidays, special (non-working) days and special holidays for 2015

The Office of the President, through Proclamation No. 831, released the list of Philippine public holidays for the year 2015, as shown below:



- REGULAR HOLIDAY
- SPECIAL NON-WORKING HOLIDAY
- SPECIAL HOLIDAY FOR ALL SCHOOLS

The proclamations declaring national holidays for the observance of Eid'1 Fitr and Eidul Adha shall be issued after the approximate dates of the Islamic holidays have been determined in accordance with the Islamic calendar (Hijra) or the lunar calendar, or upon Islamic astronomical calculations. The National Commission of Muslim Filipinos (NCMF) will inform the Office of the President on which days the holidays will fall.

(Presidential Proclamation No. 831, Series 2014)

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RR No.1, s2015: Further amendments to RR 2-98 and 3-98, as last amended by RR 5-2008, 5-2011 and 8-2012, with respect to de minimis benefits

The BIR issued Revenue Regulations No. (RR) 1-2015 to expand the list of tax-exempt de minimis benefits to include the following:

- (k) Benefits received by an employee by virtue of a Collective Bargaining Agreement (CBA) and productivity incentive schemes, provided that the total combined annual monetary value received from both CBA and productivity incentive schemes do not exceed P10,000 per employee per taxable year.

The productivity incentives that can be tax-exempt under this regulation is in addition to the bonuses and productivity incentives that can be exempt within the P30,000 threshold under Section (B)(7)(e) of the Tax Code.

Malacañang approved the increase in tax exemption last December 2014 and ordered the Department of Finance and the BIR to issue the necessary regulations in January 2015.

For the full version of RR 1-2015, please visit the BIR website: www.bir.gov.ph.

APPROVED



Senate approves P82,000 tax exemption

On November 26, 2014, the Senate approved Senate Bill No. 2437, raising the tax exemption ceiling for the 13th month pay and other benefits from P30,000 to P82,000. Once the bill becomes law, the 13th month pay and other benefits including Christmas and productivity bonuses not exceeding P82,000 would be exempted from tax.

The bill also includes a provision for automatic adjustment of the tax exemption cap every three years for inflation.

The implementing rules and regulations are expected to be drafted by the Bureau of Internal Revenue (BIR) this 2015.

Source: <http://newsinfo.inquirer.net/651782/senate-oks-bill-exempting-from-tax-13th-month-pay-of-up-to-p82k>

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Region III, Central Luzon (Provinces of Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales and the cities of Angeles, Balanga, Cabanatuan, Gapan, Malolos, Muñoz, Olongapo, Palayan, San Fernando, San Jose, San Jose Del Monte, and Tarlac) Wage Order No. RB III-18

There will be a P13 per day increase in the basic wage of workers for all provinces in the region effective November 30, 2014.

Sector/Industry	New Minimum Wage Rates	
	Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, Zambales	Aurora
Non-agriculture		P298.00
<ul style="list-style-type: none"> • establishments with total assets of P30 million or more 	P349.00	
<ul style="list-style-type: none"> • establishments with total assets of less than P30 million 	P342.00	
Agriculture		
<ul style="list-style-type: none"> • Plantation • Non-plantation 	P319.00 P303.00	P283.00 P271.00
Retail/service		
<ul style="list-style-type: none"> • with 16 or more workers • with less than 16 workers 	P338.00 P324.00	P228.00



For the full version of the Wage Order, please visit the DOLE website:
www.dole.gov.ph.

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SSS Circular No. 20, s2014: Extension of the Pilot Implementation on the Salary Loan Releases Thru-the-Bank (Citibank NA Philippine Branch)

Pursuant to SSS Resolution No. 824, s2014, the Social Security System (SSS) approved the following for implementation:

1. continuation of the pilot implementation on the salary loan releases through Citibank Cards facility covering two branches (SSS-Diliman and Makati Gil Puyat) from May 4 to July 31, 2014
2. second extension of the implementation of the program up to six months from August 1, 2014 to January 31, 2015
3. All existing guidelines and procedures under SSS Circular No. 2014-001 (Pilot Implementation on the Salary Loan Releases Thru-the-Bank) shall continue to be observed and implemented except the following which will be fully migrated to SSS:
 - a. Inventory management (issuance, handling and distribution of prepaid cards to branches)
 - b. Issuance of prepaid cards to member-borrowers

SSS PESO Fund Registration Update

SSS has advised its members that the start of registration for the SSS Personal Equity and Savings Option (SSS PESO) Fund has been postponed until further notice while enhancements are underway.

The SSS PESO Fund is a voluntary and tax-free investment that allows members to accumulate bigger savings upon retirement. For program details and other inquiries, members may email member-relations@sss.gov.ph or call the SSS Hotline at (02) 924-6446 to 55.



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SSS Circular No. 22, s2014: Guidelines on the assistance for SSS members/pensioners affected by Typhoon Ruby (Hagupit)

Pursuant to SSS Resolution No. 1051, s2014 dated December 5, 2014 confirming the approval by the President and Chief Executive Officer to provide assistance to SSS members/pensioners affected by the Typhoon “Ruby” (Hagupit), the following guidelines were issued:

A. Type of assistance

1. three-month advance pension for SSS and Employee’s Compensation (EC) Program pensioners residing in the affected areas
2. early renewal of member-borrowers’ salary loan through the Salary Loan Early Renewal Program (SLERP) and granting of new salary loans with waived service fees
3. reduction of interest rates for new Direct House Repair and Improvement Loan to 6% per annum from the existing interest rate of 13%

B. Covered areas

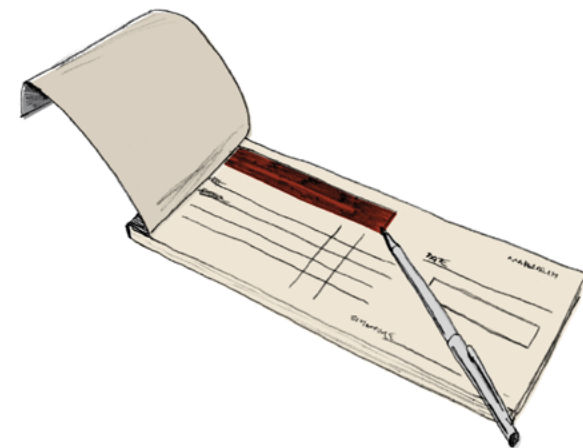
1. Declared calamity areas by the National Disaster Risk Reduction and Management Council (NDRRMC) as of 10 December 2014: Albay, Camarines Sur, Catanduanes, San Pablo City, Laguna
2. All other areas which may be declared under a state of calamity by the NDRRMC.

C. Availment period

The availment period for the assistance package is from December 15, 2014 until March 31, 2015 except for the Direct House Repair and Improvement Loan, which is up to one year from issuance of this Circular.

The generated benefit/salary loan checks may be picked-up within 10 working days from the SSS servicing branch where the member filed his application. Otherwise, checks will be mailed to the address indicated in the application form.

For the full version of SSS Circulars, please refer to the SSS website: www.sss.gov.ph.



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PhilHealth Circular No. 22, s2014: Social health insurance coverage and benefits for women about to give birth

In line with the commitment to save mothers and newborns by providing them financial risk protection, and in support of achieving the Millennium Development Goals for maternal and child health, this Circular was issued to provide the guidelines for enrolment and benefits of women about to give birth.

I. General guidelines

1. PhilHealth shall ensure that women about to give birth shall have financial risk protection during their pregnancy, delivery and post-partum period through their enrolment to the National Health Insurance Program.
2. PhilHealth shall provide benefits for all maternal deliveries regardless of parity, subject to the provision of qualifying contributions.
3. PhilHealth shall also cover admissions due to pregnancy-related conditions such as pre-term labor and pregnancy induced hypertension.

4. Only low risk normal vaginal deliveries shall be compensable in non-hospital facilities. “Low risk” refers to absence of active complications and any maternal or fetal factors that will make the pregnancy at risk for complications. Hence, the following conditions listed in PhilHealth Circular No. 20, s2008 shall not be reimbursed in non-hospital facilities:

- a. maternal age below 19 years old at the date of delivery
- b. first pregnancy in patients aged 35 years and older at the date of delivery
- c. multiple pregnancy such as twins and triplets
- d. ovarian abnormality (e.g., ovarian cyst)
- e. uterine abnormality (e.g., myoma uteri)
- f. placental abnormality (e.g., placenta previa)
- g. abnormal fetal presentation (e.g., breech)
- h. history of three or more miscarriages/ abortions
- i. history of one stillbirth
- j. history of major obstetric and/or gynecologic operation (e.g., cesarean section, uterine myomectomy)

- k. history of medical conditions (e.g., hypertension, pre-eclampsia, eclampsia, heart disease, diabetes, thyroid disorder, morbid obesity, moderate to severe asthma, epilepsy, renal disease, bleeding disorder)
- l. other risk factors that may arise during present pregnancy (e.g., premature contractions, vaginal bleeding) that warrant referral for further management

It is imperative that if the abovementioned conditions were diagnosed during prenatal care, the pregnant woman must be referred to hospitals for appropriate management and care during delivery.

5. Since Geographically Isolated and Disadvantaged Areas (GIDA) have limited access to hospitals, the infirmaries/ dispensaries located in these areas may be reimbursed for the normal deliveries of the mothers with conditions listed in this Circular.

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6. Hospitals shall not refuse women about to give birth who were referred from birthing homes, maternity clinics and infirmaries/dispensaries for higher level of care management.

7. The healthcare institution and professional must be PhilHealth-accredited at the time they provided care to pregnant women before they can be paid by PhilHealth.

8. The No Balance Billing Policy as stated in PhilHealth Circular No. 3, s2014 shall apply.

9. Women about to give birth should have prenatal care at the earliest time possible and keep a record of their prenatal check-ups in a mother's book or its equivalent at all times. This is to ensure that they will receive continuous, comprehensive and coordinated care during pregnancy, delivery and post-partum.

10. The healthcare facility providing the prenatal services shall give pregnant women a mother's book or its equivalent and shall assist them in

checking and updating their PhilHealth membership and coverage.

PhilHealth Circular No. 23, s2014: Coverage of parents below 60 years old with permanent disability

This Circular covers all parents below 60 years old with permanent disability that render them totally dependent on the member for subsistence. Members shall submit the following documents to any PhilHealth Office:

- duly accomplished PhilHealth Membership Registration Form (PMRF) to include disabled parent as additional dependent
- Medical Certificate issued by the attending physician with the details (e.g., date acquired, diagnosis, etc.) and extent of disability

Parents below 60 years old with current admission that resulted to permanent disability can immediately be declared as dependent, provided that prior to discharge they have submitted the required documents stated above to any PhilHealth Office for evaluation and amendment of Member Data Record (MDR).

PhilHealth Circular No. 28, s2014: Suspension of reimbursement for LASIK procedures

Pursuant to PhilHealth Circular No. 7, s2004, PhilHealth has been reimbursing Laser-Assisted in situ Keratomileusis (LASIK) procedures to rehabilitate post-operative, surgically induced astigmatism and/or anisometropia.

Numerous consultations with the appropriate specialists in the field of ophthalmology, medical societies and clinicians were done in reviewing the said policy. As such, PhilHealth has determined that the compensation of laser refractive procedures done for the aforementioned post-operative complications is inappropriate. Hence, the reimbursement of LASIK procedure with RVS CODE 65760 is hereby suspended until further notice.

For the full version of the PhilHealth Circulars, please refer to the PhilHealth website: www.philhealth.gov.ph.

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SEC MC No. 21, s2014: Guidelines governing the computation of corporate term

The Securities and Exchange Commission (SEC) issued the following guidelines to arrive at an accurate computation of the term of existence of a corporation:

1. The first day of the corporate term is the date of incorporation, as stated in the Certificate of Incorporation, since it is the day when the existence of a corporation commences pursuant to Section 19 of the Corporation Code and Section 31, Chapter VIII, Book 1 of the Administrative Code of 1987.
2. The last day of the corporate term is the day before corresponding numbered day of the same month of incorporation in the last year of the existence of a corporation in accordance with the pronouncement of the Supreme Court in the case of Commissioner of Internal Revenue, et al. versus Primetown Property Group, Inc., G.R. No. 162155.
3. The above guidelines for the computation of the corporate term, including the determination of the first and last days thereof, shall apply prospectively.

SEC MC No. 22, s2014: Guidelines for the use of Notification Update Form for foreign corporations

The SEC will require licensed foreign corporations to submit for purposes of reporting a single form known as Notification Update Form containing all subjects of notifications, such as but not limited to, changes in the principal office address, accounting period, composition of their directors or officers, and affiliates or subsidiaries which occur before their submission of a General Information Sheet (GIS).

The adoption of this uniform reporting requirement is specifically intended to do away with various notices submitted from time to time by foreign corporations to the SEC.

In complying with the foregoing requirement, all foreign corporations shall observe the following guidelines:

1. The Notification Update Form is a report to be accomplished and signed under oath by the president or resident agent of the concerned foreign corporation containing all information subject of any change in its principal office address, accounting period,

list of directors and officers, subsidiaries and affiliates, and other notifications to the SEC.

2. The Notification Update Form must be submitted by the concerned foreign corporation within 30 days from the occurrence of changes in any of the aforementioned subjects. It shall integrally form part of the records of the corporation on file with the SEC and shall be made available to the public.
3. All updates contained in the Notification Update Form which remain effective at the time when the submission of the annual GIS becomes due and which are likewise required information therein must be integrated in the said GIS.
4. The Notification Update Form neither replaces nor dispenses with the requirement of GIS which must be submitted within 30 days from the anniversary date of the issuance of license of the concerned foreign corporation as required under SEC MC No. 15, s2006.

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SEC MC No. 23, s2014: 2015 filing of AFS and GIS

In this Circular, the SEC issued the following guidelines to companies whose fiscal year ends on December 31, 2014 for the filing of their annual financial statements (AFS) and GIS:

1. All corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations, that file their AFS and GIS at the SEC's Head Office in Mandaluyong City, Davao, Cebu, Iloilo and Baguio Extension Offices shall, depending on the last numerical digit of their SEC registration or license number, be governed by the following schedule in the filing period for 2015:

April 13, 14, 15, 16, 17:	"1", "2"
April 20, 21, 22, 23, 24:	"3", "4"
April 27, 28, 29, 30 :	"5", "6"
May 4, 5, 6, 7, 8:	"7", "8"
May 11, 12, 13, 14, 15:	"9", "0"

2. The above filing schedule shall not apply to the following corporations:
 - a. Those whose fiscal year ends on a date other than December 31, 2014

These entities shall file their AFS within 120 calendar days from the end of their fiscal year.

- b. Those whose securities are listed on the Philippine Stock Exchange (PSE)

These entities shall continue to observe the due date of filing of their AFS as attachment to their Annual Reports (SEC Form 17-A), in accordance with the Implementing Rules and Regulations of the Securities Regulation Code.

- c. Those whose AFS are being audited by the Commission on Audit (COA) provided that the following documents are attached to their AFS:

- i. An Affidavit signed by the President and Treasurer (or Chief Finance Officer, where applicable) attesting to the fact that the company timely provided COA with the financial statements and supporting documents and that the audit of COA has just been concluded

- ii. A letter from COA confirming the information provided in the above affidavit.

3. Prior to April 13, 2015, all corporations may file their AFS regardless of the last numerical digit of their registration or license number.

4. Late filings shall be accepted starting May 18, 2015 and shall be subject to the prescribed penalties, which shall be computed from the date of the last day of filing schedule stated in (1).

5. Any filing of AFS made before or after the scheduled dates shall not be accepted unless covered by (2), (3) and (4) above.

6. The AFS, other than the consolidated financial statements, shall be stamped "received" by the BIR or its authorized banks, unless the BIR allows an alternative proof of submission for its authorized banks (e.g., bank slips);

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7. The basic components as prescribed under Securities Regulation Code (SRC) Rule 68, as amended, shall be submitted by filers. Failure to comply with any of the formal requirements under said Rule, including the prescribed qualifications for independent auditors and/or any material deficiency or misstatement that may be found upon evaluation of the specific contents thereof, shall be considered sufficient grounds for the imposition of penalties by the SEC. The acceptance and receipt by the SEC of the financial statements shall be without prejudice to such penalties.
8. Those filing reports for less than five corporations have the option to either file at the SEC Head Office or SEC Satellite Office at Ali Mall applying the SEC issued number coding schedule.
9. Those filing reports for more than five corporations may do their filings directly to SEC Head Office following the SEC-issued number coding schedule.
10. All filers regardless of the number of reports to be filed with the SEC following the circularized SEC-issued number coding schedule may also select courier filing options:
 - a. SEC Express Nationwide Submission (SENS) with the following procedures:
 - Filer downloads SENS Checklist and Undertaking Form (SENS Form).
 - Filer attaches checklist with signed undertaking to each report to be submitted.
 - Filer encloses the documents and accomplished checklist with undertaking in an envelope.
 - Filer proceeds to nearest courier designated area for his offsite submission and pay the service fee and courier fee.
 - Counter delivers the receiving copy to filer within the agreed period of time.
 - b. Courier/regular mail with no return copy of reports submitted:
 - Filer downloads the SENS Form.
 - Filer accomplishes and signs SENS Form.
 - Filer attaches the checklist and undertaking to the document(s) to be submitted.
 - Filer encloses the documents and accomplished SENS Form in an envelope, seals and signs on the flap.
 - Filer proceeds to courier of his choice or post office.

All other circulars, memoranda and implementing rules and regulations that may be inconsistent with the foregoing provisions shall be deemed modified or amended accordingly.

For the full version of the Memorandum Circulars, please refer to the SEC website, www.sec.gov.ph.

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