

Outsourcing *brief*

Q4 2018



BIR Updates

RMC No. 93-2018: Availability of Offline Electronic Bureau of Internal Revenue Forms (eBIRForms) Package Version 7.2

This Circular was issued to inform all concerned regarding the availability of new version Offline Electronic Bureau of Internal Revenue Forms (eBIRForms).

The new Offline eBIRForms package includes the following revised BIR Forms:

BIR Form No.	Form Name
1601C	Monthly Remittance Return of Income Taxes Withheld on Compensation
1602Q	Quarterly Remittance Return of Final Taxes Withheld on Interest Paid on Deposits and Deposit Substitutes/Trust/Etc.
1603Q	Quarterly Remittance Return of Final Income Taxes Withheld on Fringe Benefits Paid to Employees Other than the Rank and File
2551Q	Quarterly Percentage Tax Return

RMC No. 96-2018: Clarifies the Provisions to be Included in RMC 50-2018 for the Implementation of R.A. No. 10963 or the TRAIN Law

In the implementation of the subject law, RMC No. 50-2018 was issued to address the frequently asked questions during the

various briefings held relative to the said law. There were, however, further queries which were often raised but which were not part of the TRAIN Law. Thus, there is a need to go over those questions/answers from the same RMC since it was issued specifically to clarify the provisions of the TRAIN Law and its subsequent implementing revenue regulations.

With this, the Circular clarifies that provisions under RMC No. 50-2018 relative to the group health premiums (QA/A7) and director fees (Q34/A34) which were not affected by the provisions of the TRAIN Law, are deleted from RMC No. 50-2018.

RR No. 23-2018: Amending Certain Provisions of RR No. 17-2011, as Amended, Implementing R.A. No. 9505, Otherwise Known as the “Personal Equity and Retirement Account (PERA) Act of 2008”.

The Revenue Regulation was issued to amend the following sections of RR No. 17-2011:

A. Under Section 4 (Establishment of PERA), a contributor must comply with the following requirements in establishing a PERA:

(5) Submission of proof of source of funds for the year when the PERA contribution was made.

B. Under Section 10 (PERA Distributions and Early Withdrawals), the following shall not be subject to the Early Withdrawal Penalty:

1. Transfer of PERA assets to another Qualified/Eligible PERA Investment Product and/or another Administrator within fifteen (15) calendar days from the withdrawal thereof;
2. For payment of accident or illness-related hospitalization in excess of thirty (30) days, in which case a duly notarized doctor’s certificate attesting to the said event shall be attached to the Notice of Termination/Withdrawal/Transfer to be submitted to the PERA Processing Office;
3. For payment to a Contributor who has been subsequently rendered permanently totally disabled as defined under the Employees Compensation Law or Social Security System Law, in which case a certification duly issued by a pertinent government agency that the Contributor had been permanently totally disabled shall be attached to the Notice of Termination/Withdrawal/Transfer to be submitted to the

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PERA Processing Office;

4. Deduction of fees of the administrator, custodian and product provider (subsequent to account opening) from PERA assets provided that such deduction is made with the consent of the Contributor.”

Please note that amendments shall take effect immediately.

To view the full versions of the Circulars, please visit <http://www.bir.gov.ph>.

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Circular No. 2018-019: Extension of the Availment Period of the Re-implementation of Loan Restructuring Program for Member-Borrowers affected by previous Calamities/Disasters

Pursuant to Social Security Commission (SSC) Resolution No. 214-s.2018 dated 7 March 2018, the availment period of the re-implementation of Loan Restructuring Program is extended up to six (6) months from 2 October 2018 to 1 April 2019.

Circular Order No. 2018-021: Implementing Guidelines on Pension Loan Program (PLP) for SSS Retirement – Pensioners

This Circular was issued to provide economic assistance to qualified SSS retirement – pensioners by way of low interest loan. The following guidelines are hereby issued:

A. Coverage

o Pension loan shall be offered to SSS retirement – pensioners who meet the qualifying conditions for the availment of the loan.

o SSS retirement – pensioners under the Portability Law and under the care and custody of a guardian shall be excluded from this program.

B. Qualifications

1. Must be 80 years of age or below at the end of the month of loan term;
2. Must have no deductions from his/her monthly pension;
3. Must have no existing advance pension under the SSS Calamity Package; and
4. Must be receiving his/her regular monthly pension for at least six (6) months and status of pension is “Active”.

C. Loan Amount

The loan amount that may be availed is based on the basic monthly pension (BMP) together with the P1,000.00 (1K) additional benefit. However, dependent’s pension, if any, is not included.

The pensioner has the option to choose the loanable amount from any of the following, but not to exceed the maximum loan limit of P32,000.00:

- a. 2 × (BMP + 1K additional benefit)
- b. 4 × (BMP + 1K additional benefit)
- c. 6 × (BMP + 1K additional benefit)

D. Loan Repayment Term

The monthly amortization of the pension loan shall be deducted from the monthly pension of the pension loan borrower, as follows:

Loanable Amount	Loan Repayment Term	Monthly Amortization as Percentage of BMP + 1K Additional benefit	Net Take Home as Percentage of BMP + 1K Additional benefit
2 × (BMP + 1K additional benefit)	3 months	67.8% of BMP + 1K	32.2% of BMP + 1K
4 × (BMP + 1K additional benefit)	6 months	68.6% of BMP + 1K	31.4% of BMP + 1K
6 × (BMP + 1K additional benefit)	12 months	52.7% of BMP + 1K	47.3% of BMP + 1K

E. Interest Rate

The loan shall incur an interest rate of 10% per annum until fully paid, computed on a diminishing principal balance, which shall become part of the monthly amortization.

SSS shall waive the collection of 1% service fee as a means to subsidize the payment of premium of the Credit Life Insurance (CLI) by the pension borrower.

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F. Credit Life Insurance

All pension loan borrowers shall be covered by CLI. The premium shall be borne by the pension borrower thru a one-time deduction from the proceeds of the loan.

In the event of death of the pension loan borrower before the full payment of the loan, the outstanding balance shall be considered fully paid and shall not be deducted from the funeral and/or death benefit of the pension loan borrower.

This supersedes Circular Order No. 2018-015 dated 07 August 2018.

Circular No. 2018-022: Revised Payment Deadlines for Contributions for 2018

Pursuant to SSC Resolution No. 728.s-2018 dated 12 September 2018, the deadline for the payment of contributions of employers and individual members (except OFWs) for 2018 is hereby revised as follows:

1. For regular employers (ERs):

Existing (Circular No. 2011 - 003)	Revised
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If the 10th digit of the 13-digit ER No. ends in:	Payment Deadline (following applicable month)	July to December 2018
1 or 2	10th day of the month	End of the month following the applicable month
3 or 4	15th day of the month	
5 or 6	20th day of the month	
7 or 8	25th day of the month	
9 or 0	Last day of the month	

2. (For Household Employers HRs):

Existing (Circular No. 2011 - 003)		Revised
If the 10th digit of the 13-digit HR No. ends in:	Payment Deadline (following applicable month)	January to December 2018
1 or 2	10th day of the month	Contributions for the months of January to December 2018 may be paid within the same year; and Contributions for the months of October to December 2018 may also be paid on or before the 31st of January of the succeeding year.
3 or 4	15th day of the month	
5 or 6	20th day of the month	
7 or 8	25th day of the month	
9 or 0	Last day of the month	

3. For self-employed and voluntary members (SE/VM) except OFWs:

Existing (Circular No. 2011 - 003)		Revised
If the 10th digit of the SS No. ends in:	Payment Deadline (following applicable month or quarter, as the case may be)	January to December 2018
1 or 2	10th day of the month	Contributions for the months of January to December 2018 may be paid within the same year; and Contributions for the months of October to December 2018 may also be paid on or before the 31st of January of the succeeding year.
3 or 4	15th day of the month	
5 or 6	20th day of the month	
7 or 8	25th day of the month	
9 or 0	Last day of the month	

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Provided that:

a. In case the revised payment deadline falls on Saturday, Sunday or holiday, payment may be made on the next working day.

b. The frequency of payment shall remain on a monthly basis for regular employers.

c. The existing payment schedule for OFWs shall remain.

Provided further that: In the meantime, that the necessary enhancement to the application system to handle the revised payment deadline is not yet in place, transaction payments affected/may be affected by the revised payment deadline shall be handled by the Branch's Telling in the same manner as exceptions to the mandatory use of Payment Reference Number (PRN) are handled.

This Office Order shall be effective for the year 2018 only in view of the system infrastructure adjustment brought about by the Real Time Processing of Contributions. This Supersedes Office Order No. 2011-052 dated 16 May 2011 and all other issuances inconsistent with the above provisions.

Circular No. 2018-023: Increase in Employees' Compensation (EC) Benefits

This Circular was issued to inform all EC disability and EC death pensioners of the following:

I. P1,150.00 Additional Benefit for EC Permanent Disability and EC Death Pensioners

A. The amount of P1,150.00 per month was granted on 01 January 2017, including 13th month. However, the following shall not be included in the grant of additional benefit:

- Dependent's pension
- Balance of 5-year guaranteed pension

B. In case of death benefit, the P1,150.00 additional EC benefit shall be shared equally among beneficiaries, if applicable.

C. Payment of differential shall be as follows:

Cases	Withdrawal date
All active EC permanent disability and death benefit claims as of 17 October 2018	29 October 2018
All EC permanent disability and death benefit claims settled from 01 September to 30 December 2018	29 January 2019

D. By December 2018, pensioners shall start to receive the updated amount of their

monthly EC benefit pension.

II. Carer's Allowance

A. The amount of Carer's Allowance granted to all EC permanent disability (total and partial) pensioners shall be increased from P575.00 to P1,000.00 per month, effective 19 May 2018.

B. Payment of differential shall be as follows:

Cases	Withdrawal date
All active EC permanent disability benefit claims as of 17 October 2018	29 October 2018
All EC permanent disability benefit claims settled from 01 September to 30 December 2018	29 January 2019

C. By December 2018, pensioners shall start to receive the updated amount of their monthly Carer's Allowance.

Circular No. 2018-024: Guidelines on Housing Loan Assistance for the Direct Repair and/or Improvement Loan of SSS Members Affected by Tropical Cyclones Henry, Inday and Josie

Pursuant to SSC Resolution No. 825-s.2018 dated 10 October 2018 approving the rec-

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ommendation to provide assistance for SSS members affected by Tropical Cyclones Henry, Inday, and Josie, the following guidelines are hereby issued:

A. Types of Assistance

Six (6) months moratorium on monthly amortization and interest payment for Direct House Repair and/or Improvement Loan.

B. Availment Period

The availment period is up to one (1) year from the issuance of the corresponding SSS Circular.

To view full versions of the Circulars, please visit the SSS website:
<http://www.sss.gov.ph>.

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Memorandum Circular No. 17 s.2018: Revision of the General Information Sheet (GIS) to Include Beneficial Ownership Information

This Circular was issued in pursuant to its mandate to assist in the implementation of AMLA, as amended, and to ensure timely access to adequate and accurate information on the beneficial ownership and control of SEC registered corporations.

I. Coverage. This Circular shall apply to all SEC registered domestic corporations, both stock and non-stock.

II. Disclosure of Beneficial Ownership. All SEC registered corporations are required to disclose their beneficial owners as defined herein. The GIS is hereby revised to include such information.

The following information on the beneficial owner shall be provided:

- a. Complete name which shall include surname, given name, middle name and name extension (i.e. Jr., Sr., III);
- b. Specific residential address;
- c. Nationality;

This requirement shall be initially complied with beginning 01 January 2019.

III. Updating of Beneficial Ownership Information. The SEC shall be timely apprised of all relevant changes in the submitted beneficial ownership information contained in the GIS as they arise. An updated GIS shall be submitted to SEC within seven (7) days after such change occurred or became effective.

IV. Effectivity. This Circular took effect immediately.

To view the full version of the Circular, please visit the SEC website:
<http://www.sec.gov.ph>

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Labor Advisory No. 15 s.2018: Payment of Wages for the Regular Holidays and Special (Non-Working) Days for the Year 2019

This Advisory was issued to provide the information on the rules for pay on regular holidays and special days.

1. Regular Holidays- January 1, April 9, April 18, April 19, May 1, June 12, August 26, November 30, December 25, December 30, Eidul Fitr (to be proclaimed) and Eidul Adha (to be proclaimed)

1.1 If the employee did not work: $[(\text{Basic wage} + \text{COLA}) \times 100\%]$;

1.2 For work done during the regular holiday: $[(\text{Basic wage} + \text{COLA}) \times 200\%]$;

1.3 For work done in excess of eight hours (overtime work): $[(\text{Hourly rate of the basic wage} \times 200\% \times 130\% \times \text{number of hours worked})]$;

1.4 For work done during a regular holiday that also falls on his/her rest day: $[(\text{Basic wage} + \text{COLA}) \times 200\%] + [30\%(\text{Basic wage} \times 200\%)]$; and

1.5 For work done in excess of eight hours during a regular

holiday that also falls on his/ her rest day: $(\text{Hourly rate of the basic wage} \times 200\% \times 130\% \times 130\% \times \text{number of hours worked})$.

2. Special (Non-Working) Days – February 6, February 25, April 20, August 21, November 1, November 2, December 8, December 24, and December 31.

2.1 If the employee did not work, the “no work, no pay” principle shall apply unless there is a favorable company policy, practice or collective bargaining agreement (CBA) granting payment on a special day;

2.2 For work done during the special: $[(\text{Basic wage} \times 130\%) + \text{COLA}]$;

2.3 For work done in excess of eight hours (overtime work): $(\text{Hourly rate of the basic wage} \times 130\% \times 130\% \times \text{number of hours worked})$;

2.4 For work done during a special day that also falls on his / her rest day: $[(\text{Basic wage} \times 150\%) + \text{COLA}]$; and

2.5 For work done in excess of eight hours (overtime work) during a special day that also

falls on his / her rest day: $(\text{Hourly rate of the basic wage} \times 150\% \times 130\% \times \text{number of hours worked})$.

Wage Order No. NCR-21: Providing for a Wage Increase in the National Capital Region (NCR)

The Department of Labor and Employment (DOLE) has signed Wage Order No. NCR-22 which mandates the P25.00 increase in daily basic pay in the National Capital Region (NCR) and the integration of the P10.00 cost of living allowance (COLA) in the minimum wage, thus raising the daily pay in Metro Manila to P537.00.

New minimum wage rates for workers in the agricultural, manufacturing sector with at most 10 workers, as well as retail and service sectors with at most 15 workers shall receive a minimum wage of P500.00 daily, from the previous P475.00. Non-agricultural workers, meanwhile, will soon have a daily minimum wage of P537.00 from P512.00.

The Wage Order took immediately.

To view the full version of the Wage Order, please [visit www.dole.gov.ph](http://www.dole.gov.ph).

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