

Outsourcing brief

Q2 2018



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Revenue Memorandum Circular (RMC) No. 26-2018: Circularizing the Revised BIR Form No. 2551Q (Quarterly Percentage Tax Return) January 2018 (ENCS)

RMC No. 26-2018 prescribes the revised BIR Form No. 2551Q (Quarterly Percentage Return) January 2018 (ENCS), which was revised due to the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

Taxpayer shall file and/or pay through the following modes:

A. Manual form

1. The newly revised Bureau of Internal Revenue (BIR) Form No. 2551Q is already available under the BIR Form-VAT/Percentage Tax Returns Section of the BIR website (www.bir.gov.ph).
2. Manual filers shall download the PDF format of BIR Form No. 2551Q, print it, and then fill out the applicable items.
3. The taxable amount to be indicated in the quarterly percentage tax return shall be the total gross sales or receipts for the quarter.
4. Payment of the percentage tax due shall be made through:

- a. Manual payment:
 - With the Authorized Agent Bank (AAB) within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered; or
 - In places where there are no AABs, the return shall be filed and the tax due shall be paid with the concerned Revenue Collection Officer (RCO) through the MRCOS facility.
- b. Online payment:
 - Through GCash mobile payment;
 - Through Land Bank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have an ATM account with LBP and/or holders of Bancnet ATM/debit card; or
 - Through DBP Tax Online, for holders of Visa/Mastercard credit card and/or Bancnet ATM/debit card.

5. If manual filers paid the percentage taxes due for the first and second months of the quarter, or even the whole three months, using BIR Form No. 2551M, the taxpayer still needs to file the quarterly percentage tax return (BIR Form No. 2551Q).

If the computation resulted in a payable, the taxpayer shall pay the tax due according to guideline number 4 of RMC No. 26-2019. If the resulting computation is no payment or overpayment, follow the procedures for “No Payment Return,”

which is to file through the use of eBIRForms.

B. Electronic BIR Forms (eBIRForms)

1. The newly revised BIR Form No. 2551Q is not yet available on eBIRForms.
2. eBIRForms filers shall use the enhanced old BIR Form No. 2551Q in Offline eBIRForms Package v7, which contains all the alphanumeric tax codes (ATCs) enumerated in BIR Form No. 2551M in filing the return.
3. The taxable amount to be indicated in the quarterly percentage tax return shall be the total gross sales or receipts for the quarter.
4. If the eBIRForms filer already paid the percentage taxes for the first, second, and/or third month of the quarter, reflect payments in Items No. 20A – Creditable Percentage Tax Withheld per BIR Form No. 2307 as a workaround procedure.

C. Electronic Filing and Payment System (eFPS)

1. The newly revised BIR Form No. 2551Q is not yet available on the eFPS.
2. eFPS filers shall use the enhanced old BIR Form No. 2551 in the system, which contains all the ATCs enumerated in BIR

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Form No. 2551M in filing the return.

3. The taxable amount to be indicated in the quarterly percentage tax return shall be the total gross sales or receipts for the quarter.

4. If the eFPS filer already paid the percentage taxes for the first, second, and/or third month of the quarter, reflect payment/s in Item No. 20A – Creditable Percentage Tax Withheld per BIR Form No. 2307 as a workaround procedure.

5. After e-filing, proceed to online payment by clicking the ‘Proceed to Payment’ button, and then pay the percentage tax due.

RMC No. 27-2018: Circularizing the New and Revised BIR Forms Affected by the TRAIN Law

RMC No. 27-2018 was issued to prescribe the following new and revised BIR forms, to wit:

BIR Form No.	BIR Form Name	Availability of the New/ Revised Return
1. 1601-EQ	Quarterly Remittance Return of Creditable Income Taxes Withheld (Expanded)	Manual return, eBIRForms, eFPS

2. 1601-FQ	Quarterly Remittance Return of Final Income Taxes Withheld	Manual return, eBIRForms, eFPS
3. 1602Q	Quarterly Remittance Return of Final Taxes Withheld on Interest Paid on Deposits and Deposits Substitutes/Trusts /Etc.	Manual return
4. 1603Q	Quarterly Remittance Return of Final Income Taxes Withheld on Fringe Benefits Paid to Employees Other Than Rank and File	Manual return
5. 1601-C	Monthly Remittance Return of Income Taxes Withheld for Compensation	Manual return

3. The amount to be indicated in the return shall be the total amount or taxes withheld for the quarter.

4. The remittance of the tax due, if any, shall be made through:
 a. Manual payment, or
 b. Online payment.

5. If the manual filer has remitted the creditable or final taxes withheld for the third month using BIR Form No. 0605 or the old return (BIR Form No. 1601-E/1601-F) or the new remittance form under BIR Form No. 0619-E/0619-F once available, the taxpayer still needs to file the quarterly return (BIR No. 1601-EQ/1601-FQ) and indicate the total amount or taxes withheld for the quarter and the total remittances made for the three months or for the quarter, as follows:

I. BIR Form Nos. 1601-EQ/1601-FQ

A. Manual return

1. The manual returns are already available under the BIR Forms – Payment/Remittance Form section of the BIR website (www.bir.gov.ph).

2. Manual filers shall download the PDF format of the return (BIR Form No. 1601-EQ/1601-FQ), print the file, and then fill out the applicable items or fields.

Particulars	Item/Field No. in BIR Form No. 1601-EQ	Item/Field No. in BIR Form No. 1601-FQ
Remittance made for the first month of the quarter	20	23
Remittances made for the second and third months of the quarter	21	24

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6. In case of over-remittance in BIR Form No. 1601-EQ, the over-remittance can be carried over to the next quarter within the same taxable year.

B. eBIRForms

1. The new returns are already included in Offline eBIRForms Package v7.

2. eBIRForms filers shall use the return in filing and remitting the creditable income taxes withheld (expanded) or final income taxes withheld for the quarter covering the three-month period.

3. The remittance of the tax due, if any, shall be made through:

- Manual payment, or
- Online payment.

4. In case of over-remittance in BIR Form No. 1601-EQ, the over-remittance can be carried over to the next quarter within the same taxable year.

C. eFPS

1. The new returns are already available on the eFPS.

2. eFPS filers shall use the return in filing and remitting the creditable income taxes withheld (expanded) or final income taxes withheld for the quarter covering the three-month period.

3. After e-filing, proceed to online payment by clicking the 'Proceed to Payment' button and remit the taxes due, if any.

II. BIR Form No. 1602Q

A. Manual return

1. The newly revised manual return is already available under the BIR Forms – Payment/Remittance Form section of the BIR website (www.bir.gov.ph).

2. The newly revised return is not yet available on the eFPS and eBIRForms. eFPS or eBIRForms filers shall still use the existing BIR Form No. 1602 on the eFPS and in Offline eBIRForms Package v7 in remitting the taxes withheld for compensation.

3. Remittance of the tax due, if any, for manual and eBIRForms filers, shall be made through:

- Manual payment, or
- Online payment.

4. For eFPS filers, after e-filing, proceed to online payment by clicking the 'Proceed to Payment' button and remit the taxes due.

5. eFPS or eBIRForms filers shall use the newly revised return once it is available

on the eFPS or included in the new Offline eBIRForms Package.

III. BIR Form No. 1603Q

A. Manual return

1. The newly revised manual return is already available under the BIR Forms – Payment/Remittance Form section of the BIR website (www.bir.gov.ph).

2. Manual filers shall download the PDF format of BIR Form No. 1603Q, print the file, and then fill out the applicable items or fields.

3. Remittance of the tax due, if any, shall be made through:

- Manual payment, or
- Online payment.

B. eBIRForms and eFPS

1. The newly revised return is not yet available on the eFPS and in eBIRForms. eFPS or eBIRForms filers shall still use the existing BIR Form No. 1603 on the eFPS and in Offline eBIRForms.

2. The tax rate of ATC WF360 is not yet updated and still at 32% in BIR Form No. 1603. To complete the 35% tax rate, eBIRForms filers shall use and file BIR Form No. 0605 for the 3% deficiency tax reflecting the following:

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- a. Tax Type WR Withholding Tax – Fringe Benefits
- b. ATC MC 031-Deficiency Tax

3. After e-filing, proceed to online payment by clicking the ‘Proceed to Payment’ button and remit the taxes due.

IV. BIR Form No. 1601-C

1. The newly revised manual return is already available under the BIR Forms – Payment/Remittance Form section of the BIR website (www.bir.gov.ph).

2. The newly revised return is not yet available on the eFPS and in eBIRForms. eFPS or eBIRForms filers shall still use the existing BIR Form No. 1601-C on the eFPS and in Offline eBIRForms Package v7 in remitting the taxes withheld for compensation.

3. Remittance of the tax due, if any, for manual and eBIRForms filers shall be made through:

- a. Manual payment, or
- b. Online payment.

4. For eFPS filers, after e-filing, proceed to online payment by clicking the ‘Proceed to Payment’ button and remit the taxes due.

5. eFPS or eBIRForms filers shall use the newly revised return once it is available on the eFPS or included in the new Offline

eBIRForms Package.

RMC No. 44-2018: Publishing the Daily Minimum Wage Rates in Region IV-A Pursuant to Wage Order (WO) No. RB IVA - 18

WAGE INCREASE. Upon effectivity, those in the Extended Metropolitan Area (Bacoor and Imus in the Province of Cavite; Binan City, Laguna Technopark and San Pedro City in the province of Laguna; and Cainta and Taytay in the province of Rizal) shall have a Php21.50 wage increase.

Those that are situated in the Growth Corridor Area, Emerging Growth Area, and Resource-Based Area shall receive an increase depending on the amount needed to restore the lost purchasing power of the peso, which ranges from Php14.00 to Php16.50.

The lowest minimum wage rate or the floor wage in Region IV-A CALABARZON shall be Php303.00.

NEW DAILY MINIMUM WAGE RATES. The new daily minimum wage rates of covered workers in the private sector in Region IV A-CALABARZON shall be as follows:

COVERED AREAS	ADJUSTMENT	NEW MINIMUM WAGE RATE
Areas receiving Php378.50 minimum wage per WO No. IVA-17	Php21.50	Php400.00

Areas receiving between Php356.50 and Php302.50 minimum wage rates per WO No. IVA-17	Php14.00 to Php16.50	Php317.00 to Php373.00
Areas receiving Php283.00 floor wage per WO No. IVA-17	Php20.00	Php303.00

COVERAGE. The prescribed wage rates under this WO No. RB IVA – 18 shall apply to all workers and employees in the private sector receiving the minimum wage in Region IV A (CALABARZON Region). WO No. RB IVA – 18 shall not include domestic workers or kasambahay, persons employed in the personal service of another, and workers of establishments registered under the Barangay Micro Business Enterprises (BMBE) Law with Certificates of Authority and as also provided under the Go Negosyo Act of 2014 [Republic Act (RA) No. 10644].

BASIS OF MINIMUM WAGE RATES. The minimum wage rates prescribed under WO No. RB IVA – 18 shall be for the normal working hours, which shall not exceed eight hours of work per day.

WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, takay, pakyaw, or task basis, shall be entitled to receive the prescribed minimum wage rates per eight hours work a day, or a proportion thereof, for working less than eight hours.

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EXEMPTION. The following may be exempted from the application of WO No. RB IVA – 18:

- a. In case of a calamity, establishments adversely affected by calamities, such as natural and/or human-induced disasters;
- b. Distressed establishment per National Wages and Productivity Commission Guidelines No. 2, Series of 2007 on Amended Rules on Exemption.

PENAL PROVISIONS. Any employer who refuses or fails to pay shall be subject to the penalties under RA Nos. 6727 and 8188.

EFFECTIVITY. WO No. RB IVA – 18 shall take effect 15 days upon publication in a newspaper of general circulation.

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Circular No. 2018-009: Authorized SSS Accredited Collecting and Paying Banks

Circular No. 2018-009 shows the list of accredited rural or cooperative banks as collecting and paying agents of the Social Security System (SSS) from March 1, 2018 to October 31, 2018. However, collection operations will remain on hold until such banks are fully compliant with the requirements for Real Time Posting of Contributions (RTPC) through the use of a Payment Reference Number.

1. CARD Bank (Laguna)	23. Rural Bank of Abucay (Bataan) Inc.
2. RBT Bank (Rural Bank of Talisayan, Misamis Oriental)	24. Rural Bank of Jose Panganiban (CN)
3. Rang-ay Bank (La Union)	25. Banco Makiling (Laguna)
4. Malarayat Rural Bank (Lipa City)	26. Rural Bank of Digos (Davao del Sur)
5. Rural Bank of San Jose (Camarines Sur)	27. Rural Bank of Lanuza (Surigao Del Sur)
6. SIGNABANK RB of Sta. Ignacia Inc.	28. Rural Bank of Sagay (Negros Oriental)
7. Bangko Kabayan (Batangas)	29. Bangko Nuetra Señora Del Pilar (Pampanga)
8. Rizal Bank (Laguna)	30. Money Mall Rural Bank (Compostela)
9. Rural Bank of Guinobatan (Albay)	31. Guagua Rural Bank (Pampanga)

10. Rural Bank of Sta. Catalina (Negros Oriental)	32. Cantilan Bank (Surigao del Sur)
11. Katipunan Bank (Dipolog City)	33. Mega Rural Bank (Lucena City)
12. Innovative Bank (Pilillia, Rizal)	34. Rural Bank of San Narciso (Zambales)
13. Rural Bank of Hindang (Leyte)	35. Bangko Mabuhay (Rural Bank of Tanza Cavite)
14. Camalig Bank (Albay)	36. Rural Bank of Bauang (La Union)
15. Rural Bank of Cauayan (Isabela)	37. Rural Bank of San Antonio (Quezon)
16. East West Rural Bank (Davao City)	38. Rural Bank of Rosario (La Union)
17. Laguna Prestige Banking Corp.	39. First Isabela Cooperative Bank
18. Rural Bank of Porac (Pampanga)	40. Cooperative Bank of Ilocos Norte
19. Progressing Rural Bank (Batangas)	41. Cooperative Bank of Quezon, Province
20. Rural Bank of Lapaz (Tarlac)	42. Partner Rural Bank (Cotabato)
21. Rural Bank of Bacolod City	43. Rural Bank of Antipolo Inc.
22. Country Builders Bank Inc. (Taguig)	

Circular No. 2018-012: Online Submission of Application for Retirement Benefit Thru the SSS Website and Online Appointment System

Circular No. 2018-12 provides additional options for submitting applications for retirement claim. The guidelines are as follows:

I. Online submission of retirement claims through the SSS website

A. Coverage

1. All overseas Filipino workers (OFWs) and voluntary members who are at least 60 years old upon the date submitting retirement claim.
2. All members who are at least 65 years old upon date of submission of retirement claim

B. Qualifying conditions

Members must be registered on the SSS website, subject to the following conditions:

1. Has at least 120 monthly contributions prior to the semester of the month of submitting the retirement claim application;
2. Has no cancelled social security number/s;
3. Outstanding loan balance shall be for salary or calamity or Salary Loan Early Renewal Program only;

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4. Has not submitted / have pending retirement, death, funeral, or total disability claim per Centralized Claims Clearance System or settled death, funeral, or total disability claim per Claims Information and Benefits Workflow System (BWS);

5. Qualifies for retirement per Online Eligibility Inquiry based on BWS;

6. Has no dependent child or children; and

7. Is not an underground or surface mine-worker or a racehorse jockey.

II. Online appointment system

A. Coverage

All SSS members who are not qualified to submit retirement claim application through the SSS Website.

B. Qualifying Conditions

Members must be registered on the SSS website, subject to the following conditions:

1. Has at least 120 monthly contributions prior to the semester of the month of submitting the retirement claim application;

2. Is at least 60 years old and separated from employment or has ceased to be self-employed;

3. Is at least 55 years old and separated from employment or has ceased to be self-employed, if an underground mine-worker and must have been working as an underground mineworker for at least five years prior to the semester of retirement as certified by employer/s, but whose actual date of retirement is not earlier than March 13, 1998.

4. Is at least 50 years old and separated from employment or has ceased to be self-employed, if an underground or surface mineworker and must have been working as an underground or surface mineworker for at least five years, but whose actual date of retirement is not earlier than April 27, 2016.

5. Is at least 55 years old, if a racehorse jockey and must have been working as a racehorse jockey for at least five years prior to the semester of retirement as certified by the employer/s, but whose actual date of retirement is not earlier than May 24, 2016.

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