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# *Outsourcing* brief

**Q4 2016**

# BIR update



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## **RR No. 9-2016: Amending Section 4 of Revenue Regulations (RR) No. 6-2014, Coverage of Taxpayers Required to File Returns through Electronic Bureau of Internal Revenue Forms (eBIRForms)**

This Revenue Regulation amends Section 4 of RR No. 6-2014: Coverage of Taxpayers Required to File Returns through Electronic Bureau of Internal Revenue Forms and contains the following:

### **SECTION 1 - Scope**

Pursuant to the provisions of Section 244 of the National Internal Revenue Code of 1997 (Tax Code) as amended, these Regulations are hereby promulgated to properly implement coverage of taxpayers mandated to file tax returns through eBIRForms.

### **SECTION 2 - Coverage**

Section 4 of RR No. 6-2014 is hereby amended to read as follows:

Section 4. Mandatory Coverage. Only those non-eFPS filers are covered by these Regulations:

1. Accredited Tax Agents/Practitioners and

all its client-taxpayers;

2. Accredited Printers of Principal and Supplementary Receipts/ Invoices;

3. One-Time Transaction (ONETT) taxpayers who are classified as real estate dealers/developers; those who are considered as habitually engaged in the sale of real property and regular taxpayers already covered by eBIRForms. Thus, taxpayers who are filing BIR Form No. 1706, 1707, 1800, 1801 and 2000-OT (for BIR Form No. 1706 only) are excluded in the mandatory coverage from using the eBIRForms;

4. Those who shall file a "No Payment Return";

5. Government-Owned-or-Controlled Corporations (GOCCs);

6. Local Government Units (LGUs), except barangays; and

7. Cooperatives registered with National Electrification Administration (NEA) and Local Water Utilities Administration (LWUA).

### **SECTION 8 - Effectivity**

These Regulations shall take effect after fifteen (15) days following publication in newspapers of general circulation.

For the full version of the memorandum order, please visit the BIR website: <http://www.bir.gov.ph>

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## Circular No. 367: Amended Guidelines Implementing The Pag-Ibig Fund Home Rehabilitation / Reconstruction Loan Program

This Circular provides the amended guidelines on the implementation of the PAG-IBIG Fund Home Rehabilitation / Reconstruction Loan Program which covers areas declared under state of calamity, and areas further determined and identified by Management in the exercise of its discretion.

### I. PROGRAM IMPLEMENTATION

A borrower has the option to apply for an Express HRRL or a Regular HRRL subject to eligibility requirements.

#### A. Express HRRL

##### 1. Loan Purpose

The HRRL may be used to finance any of the following:

- 1.1 Rehabilitation/reconstruction of a residential unit owned by the member; or
- 1.2 Rehabilitation/reconstruction of a residential unit mortgaged with or assigned to the Fund.

##### 2. Loanable Amount

An eligible member shall be allowed to borrow a maximum loanable amount of One Hundred Thousand Pesos (P100,000.00), which proceeds shall be released one time.

##### 2.1 Loanable Amount Based on Capacity to Pay

2.1.1 All housing loan applications shall be evaluated based on the borrower's capacity to pay.

2.1.2 A member's loanable amount shall be limited to an amount for which the monthly repayment shall not exceed thirty-five percent (35%) of the borrower's gross monthly income.

2.1.3 For a borrower with an existing Pag-IBIG housing loan availing of the HRRL Program, the sum of the monthly repayment for the existing housing loan and the monthly repayment for the HRRL shall not exceed 35% of the borrower's gross monthly income.

2.1.4 For government employees who will be paying their HRRL amortization through salary deduction, their Net Take Home Pay must not fall below the minimum requirement as provided in the General Appropriations Act.

##### 3. Interest Rate

3.1 The interest rate to be charged shall be as follows:

Details		Gross Monthly Income		
Income Clusters	Cluster 1 (NCR)	Up to P15,000	More than P15,000 up to P17,500	More than P17,500
	Cluster 2 (Other Regions)	Up to P12,000	More than P12,000 up to P14,000	More than P14,000
Interest Rate		4.5%*	6.5%*	Based on the Fund's Full Risk-Based Pricing Framework

3.2 The re-pricing of the applicable interest rate shall be done in the following manner:

3.2.1 If gross monthly income is up to P17,500 (Cluster 1) or P14,000 (Cluster 2) The applicable interest shall be fixed throughout the loan term.

3.2.2 If gross monthly income is more than P17,500 (Cluster 1) or P14,000 (Cluster 2) The corresponding interest rate shall be re-priced periodically depending on the chosen fixed pricing period of the borrower.



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## 4. Loan Term

The loan shall be repaid at a maximum term of ten (10) years and shall, in no case, exceed the difference between age seventy (70) and the present age of the borrower.

## 5. Registration Expenses

Pag-IBIG Fund shall undertake the registration of the Loan (and Mortgage) Agreement. However, all expenses and fees relative thereto shall be deducted from the loan proceeds.

## B. Regular HRRL

### 1. Coverage

This program shall initially apply to HRRL applications of eligible Pag-IBIG members within the areas declared under state of calamity due to Typhoon "Yolanda", as follows:

#### Typhoon Yolanda

##### Provinces

1. Aklan
2. Antique
3. Capi
4. Cebu
5. Eastern Samar
6. Iloilo
7. Leyte

## 8. Masbate

9. Negros Occidental
10. Northern Samar
11. Palawan
12. Samar

## Cities/Municipalities

1. Calapan City
2. Baco, Oriental Mindoro
3. Bulalacao, Oriental Mindoro
4. Mansalay, Oriental Mindoro
5. Naujan, Oriental Mindoro
6. Pinamalayan, Oriental Mindoro

Thereafter, the provision on the general coverage under Item No. II shall apply.

### 1. Loanable Amount

A qualified Pag-IBIG member shall be allowed to borrow an amount up to a maximum of Four Hundred Fifty Thousand Pesos (P450,000.00), which shall be based on the lowest of the following: member's desired loan amount, his capacity to pay and the loan-to-appraised value ratio.

#### 1.1 Loanable Amount Based on Capacity to Pay

1.1.1 All housing loan applications shall be evaluated based on the borrower's capacity

to pay.

1.1.2 A member's loanable amount shall be limited to an amount for which the monthly repayment shall not exceed thirty-five percent (35%) of the borrower's gross monthly income. In case of tacked loans, the individual gross monthly income of the borrowers shall be considered.

1.1.3 For a borrower with an existing Pag-IBIG housing loan availing of the HRRL Program, the sum of the monthly repayment for the existing housing loan and the monthly repayment for the HRRL shall not exceed 35% of the borrower's gross monthly income.

1.1.4 For government employees who will be paying their HRRL amortization through salary deduction, their Net Take Home Pay must not fall below the minimum requirement as provided in the General Appropriations Act.

## 2. Loan Term

The loan shall be repaid at a maximum term of thirty (30) years and shall, in no case, exceed the difference between age seventy (70) and the present age of the borrower.



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## GENERAL PROVISIONS

### A. Borrower's Eligibility

To qualify for an HRRL, a borrower shall satisfy the following requirements:

1. The principal borrower must be a resident of the area with a declaration of State of Calamity and must show proof that his residential property was damaged by the said calamity;
2. He must be a member under the Pag-IBIG I Membership Program;
  - 2.1. After filing the housing loan application, the borrower shall pay his monthly savings based on the mandatory rate until loan approval.
  - 2.2. After the full release of the HRRL takeout proceeds, the borrower shall be required to pay his monthly savings based on the upgraded rate, if applicable, corresponding to the amount of the HRRL, and every month thereafter until full settlement of his loan obligation.

Monthly Savings	Loan Amount
P50	Up to P125,000
100	Over P125,000 to P250,000
150	Over P250,000 to P375,000
200	Over P375,000 to P450,000

3. Not more than sixty-five (65) years old at the date of HRRL application and not more than seventy (70) years old at loan maturity;
4. Has the legal capacity to acquire and encumber real property;
5. If with existing Pag-IBIG housing loan, either as principal or co-borrower, said loan must be updated;
6. Has no outstanding Pag-IBIG Short Term Loan (STL) in arrears at the time of HRRL application. A member whose STL is in arrears shall be required to pay his arrearages over the counter to update his account; and
7. Had no Pag-IBIG housing loan that was foreclosed, cancelled, bought back due to default, or subjected to dacion en pago, which shall include cases where the borrower is no longer interested to pursue the loan and surrenders the property.

## Loan Availment Period

Loan	Availment Period
<b>1. Express HRRL</b>	Within ninety (90) calendar days from issuance of Management directive as may be determined upon occurrence of another calamity
<b>2. Regular HRRL</b>	<b>For Typhoon Yolanda Victims, up to 13 January 2017</b>
	Subsequent covered area/s - within one (1) year from issuance of Management directive as may be determined upon occurrence of another calamity
<b>3. Purchase of Residential Units in Housing Projects Developed under Circular No. 333</b>	Within three (3) years reckoned from the issuance of Pag-IBIG Fund Circular No. 343

## EFFECTIVITY

This Circular takes effect immediately.

To view the full Circular, please visit DOLE website: [www.dole.gov.ph](http://www.dole.gov.ph)



# PhilHealth updates



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## **PHIC Circular 2016-0034: Compounded Computation of Interests and/or Surcharges on Delayed Employer Remittances**

RA 10606, otherwise known as the National Health Insurance Act of 2013, gives the Philippine Health Insurance Corporation the authority to impose interests and/or surcharges on delayed premium remittances.

Section 16 (v) of the Act states that “notwithstanding the provisions of any law to the contrary, to impose interest and/or surcharges of not exceeding three percent (3%) per month, as may be fixed by the Corporation, in case of any delay in the remittance of contributions which are due within the prescribed period by and employer, whether public or private. xxx “.

Through PhilHealth Board Resolution No. 2132-2016, the Corporation hereby imposes a compounded computation of interests and/or surcharges on delayed employer remittances starting the applicable month of October 2016 onwards.

## **GENERAL GUIDELINES**

Interests and/or surcharges for late payments by employers both in the government and private sectors, except employers of Kasambahay, shall be computed as follows:

Interests and/or surcharges = Principal amount x 2% or Php200.00, whichever is higher, compounded monthly based on the number of months delayed.

1. The principal amount shall refer to any of the following, whichever is applicable:

a. The amount indicated in the Statement of Premium Account (SPA); or

b. The amount indicated in the PhilHealth Official Receipt (PGR)/PhilHealth Agent's Receipt (PAR), in case of multiple payments for one applicable period.

2. The number of months delayed is determined from the day immediately after the deadline to the actual date of payment or remittance, inclusive of Saturdays, Sundays and holidays.

3. A fraction of a month shall be computed as one whole month delayed; i.e. premium

contribution delayed for 1 day shall already be considered a delay for one month.

4. The amount payable indicated in the SPA shall pertain to the following:

a. The total premium due for the applicable month; and

b. The interests and/or surcharges incurred from the previous month/s' late payment of contributions.

## **III. EFFECTIVITY**

The abovementioned guidelines shall be applied to late payments starting the applicable month of January 2017 onwards.

To view the full Circular, visit the PhilHealth website: [www.philhealth.gov.ph](http://www.philhealth.gov.ph)



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## **Circular No. 2016-005: List of Documentary Requirements for Retirement Benefit**

This Circular provides the following information to facilitate filing of retirement benefit claim application:

1. List of Documentary Requirements for Retirement Benefit; and
2. Affidavit of Separation from Employment/ Cessation of Self-employment with undertaking.

List of Documentary Requirements for Retirement Benefit

### **I. IF FILED BY MEMBER**

A. Valid Identification (ID) Cards/ Documents

Any one (1) of the following:

1. Social Security System (SSS) ID
2. Unified Multi-purpose ID (UMID)
3. Professional Regulation Commission (PRC) ID
4. Passport
5. Driver's License
6. Seaman's Book (Seafarer's Identification & Record Book)

If the above documents are not available, refer to the Supplemental List of Documentary Requirements for Retirement

Benefit

B. SSS Form-Member's Photo and Signature Card

C. Single savings account passbook/ATM/ UMID card enrolled as ATM/accomplished debit/ cash card enrollment form

If name of member and/or savings account number is not indicated in the ATM card

-Copy of duly validated deposit slip; or

-Copy of bank statement/ certificate

If ATM card of married female member is still under maiden name

-Marriage contract/ certificate

If member cannot open a savings account or apply for debit/cash card

-A written request for exemption from the Pensioner's Remittance Program

### **II. IF FILED THRU REPRESENTATIVE**

Additional documents:

-Retirement Claim Application under Portability Law form duly accomplished by the member;

-Valid ID cards/documents of the representative; and

-Letter of Authority (LOA) signed by the member; or Special Power of Attorney (SPA) specifically stating the authority to file and sign for and in behalf of the member.

Note: LOA/SPA should be valid within six (6) months if issued in the Philippines or one (1)

year if issued abroad.

To see the Supplemental List of Documentary Requirements for Retirement Benefit and the Affidavit of Separation from Employment/ Cessation of Self-employment with Undertaking, please visit SSS website: [www.sss.gov.ph](http://www.sss.gov.ph)



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## Circular No. 2016- 006: Reminders in the Filing of Sickness Notification Form and Sickness Benefit/Reimbursement Claims

This Circular contains reminders to avoid reduction or denial of benefit, employers, self-employed and voluntary members:

FILING OF SICKNESS NOTIFICATION FORM		FILING OF SICKNESS BENEFIT REIMBURESMENT APPLICATION FORM
Employee to Employer	Employer to SSS	Employer to SSS
Sickness notification form must be submitted within five (5) calendar days after the start date of confinement.	Sickness notification form must be submitted to SSS within five (5) calendar days after its receipt from the employee.	Sickness benefit reimbursement application form together with the original copy of the SSS-approved Sickness Notification Form must be submitted to SSS within one (1) year from the start date of confinement.

FILING OF SICKNESS NOTIFICATION FORM		FILING OF SICKNESS BENEFIT REIMBURESMENT APPLICATION FORM
Employee to Employer	Employer to SSS	Employer to SSS
Notification by the employee to his/her employer is not necessary. However, the Medical Certificate portion of the Sickness Notification Form that the employer is required to submit to SSS must be accomplished by the attending physician of the employee and must be submitted to the employer within five (5) calendar days after the start date of the employee's confinement.  It shall be the obligation of the employer to remind the employee of the submission of the accomplished Medical Certificate portion of the Sickness Notification Form to avoid reduction or denial of the employer's benefit reimbursement.	Sickness notification form with duly accomplished Medical Certificate must be submitted to SSS within five (5) calendar days after its receipt from the employee.	Sickness benefit reimbursement application form together with the original copy of the SSS-approved Sickness Notification Form must be submitted to SSS within one (1) year from the start date of confinement.





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FILING OF SICKNESS BENEFIT APPLICATION FORM	
Home Confinement	Hospital Confinement
Sickness notification form must be submitted to SSS within five (5) calendar days after the start date of confinement.	Sickness notification form must be submitted to SSS within one (1) year from the date of hospital discharge.



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