

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

November 29, 2011

REVENUE MEMORANDUM CIRCULAR NO. 60-2011

**SUBJECT: Issuance of Service Record as a Requirement for Processing of Retirement
And Terminal Leave Benefits**

TO : All Internal Revenue Officials, Employees and Others Concerned

It has been noted that some employees who have retired, resigned or separated from the service were not able to claim their retirement and terminal leave benefits due to non-issuance of their service records. The issuance of said service records were conditioned upon submission of National Office Clearance and Ombudsman Clearance pursuant to Memorandum of then Deputy Commissioner Estelita C. Aguirre dated February 6, 2003. In the absence of these clearances, transmittal of service record to GSIS, a requirement of Department of Budget and Management before funding, is held in abeyance.

As cited in **Supreme Court En Banc Resolution A.M. No. P-95-1167** promulgated February 9, 2010, quoted hereunder:

"...GSIS laws are in the nature of social legislation to be liberally construed in favor of the government employee. The money subject of the instant request consists of personal contributions made by the employee, premiums paid in anticipation of benefits expected upon retirement. The occurrence of a contingency, i.e., his dismissal from the service prior to reaching retirement age, should not deprive him of the money that belongs to him from the outset. To allow forfeiture of personal contributions in favor of the GSIS would condone undue enrichment."

Moreover, Sections 36 and 65 of Rule XVI of the Omnibus Civil Service Rules and Regulations Implementing Book V of EO 292 and other pertinent civil service laws provides for the following:

"Sec. 36. Approval of terminal leave. - Application for commutation of vacation or sick leave in connection with separation through no fault of an official or employee should be sent to the head of department or agency concerned for approval. In this connection, clearance from the Ombudsman is no longer required for processing and payment of terminal leave as such clearance is needed only for the payment of retirement benefits.

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Sec. 65. Effect on decision in administrative cases. - An official or employee who has been penalized with dismissal from the service is likewise not barred from entitlement to his terminal leave benefits."

Thus, in order not to deprive the employees who have retired, resigned or separated from the service of their retirement and terminal leave benefits to which they are entitled, **the general rule is Employee's Service Record shall be transmitted to GSIS by the Personnel Division/Human Resource Management Units of the Regional Offices upon submission of National Office Clearance and Ombudsman Clearance.** In the absence of the latter, a Certification of Pending Criminal/Administrative Case issued by the Office of the Ombudsman shall instead be submitted. **Notwithstanding the pending case, the Service Record shall likewise be transmitted with the information of pending case as shown in the said Certificate of Pending Criminal/Administrative Cases which shall be attached to the transmittal letter.**

The requirement of BIR National Office (NO) Clearance shall, however, not to be dispensed with. If the absence of the clearance is due to causes other than pending administrative cases of the employee such as docket, property or cash accountability, the employee shall be required to immediately settle all outstanding accountabilities to facilitate issuance of NO Clearance . On the other hand, if the absence of clearance is due to pending administrative cases with BIR, the Personnel Inquiry Division is mandated to fast track the resolution of cases so as not to deprive the retired/separated employee from the benefits to which he/she is entitled to.

All concerned are hereby enjoined to be guided accordingly and give this Circular a wide publicity as possible.

(Original Signed)

KIM S. JACINTO-HENARES

Commissioner of Internal Revenue