

**REVENUE MEMORANDUM ORDER NO. 25-2023** issued on July 4, 2023 prescribes the policies, guidelines and procedures in the preparation and processing of payroll in the National Office and Regional Offices using the new Nationwide BIR Payroll System (NBPS).

The new NBPS has full integration modules which has the capability to accurately capture personnel information necessary for the processing of the payroll and generation of reports. It can generate the weekly or semi-monthly General Office Payroll (GOP) for the Salaries, Personnel Economic Relief Allowance (PERA), Representation Allowance and Transportation Allowance (RATA) including other monetary bonuses and incentives. NBPS has the following Modules:

- Personnel
- Payroll
- Reports
- Approval
- Admin

Encoding and updating of personnel information which includes adding, editing and viewing in the Personnel Module in the NBPS shall be the responsibility of the concerned sections of the Personnel Division (PD) for National Office and Administrative Human Resource Management Division (AHRMD) for Regional Offices. The updates shall be based on the documentary requirements received by PD/AHRMD on or before the 12th day of the month. It shall be immediately encoded in the NBPS as recommended by concerned Section Chiefs for approval of the Division Chief/Assistant Division Chief of PD/AHRMD. Documents received after the cut-off date shall be included in the succeeding GOP. If the 12th day of the month falls on a Saturday, Sunday or Holiday, the next working day shall be considered as the new cut-off date.

Updates on mandatory government deductions and other loans authorized to be deducted by the BIR shall be the responsibility of the concerned section of the Accounting Division/Finance Division (AD/FD). The updates shall be done prior to the processing of the monthly GOP and must be supported with the following documents:

- a. Letter request from employees
- b. Billing from GSIS/PAG-IBIG
- c. Other billing deductions/loans

Authorized 3rd party (such as BIR MPC, BIRSALA, BIREA) shall submit signed hard and soft copy of contribution/deduction for each employee for uploading/encoding to GOP by AD/FD respectively. Request for inclusion of 3rd party deductions for Regional Offices, which are covered by a Memorandum of Agreement, shall be properly endorsed by the Regional Director to the DCIR-Resource Management Group (RMG) for approval by the Commissioner of Internal revenue (CIR). For the National Office, it shall be submitted to the DCIR-RMG, for approval of the CIR. Only authorized deductions provided under the General Appropriations Act shall be allowed.

All documentary requirements received by AD/FD on or before the *18th day of the month* shall be encoded/uploaded in the NBPS for approval of the Division Chief/ Assistant Division Chief as recommended by the concerned Section Chief of the AD/FD in the NBPS. Documents received after the cut-off

date shall be included in the succeeding GOP. If the 18th day of the month falls on a Saturday, Sunday or Holiday, the next working day shall be considered as the new cut-off date.

Requests for funding for salaries, PERA and other monetary benefits shall be processed by Payroll Section-Personnel Division (PS-PD).

The PD/AHRMD shall generate the GOP for Salaries and PERA for the National Office (NO) and Regional Offices (ROs) respectively every *20th day* of the month. The GOP shall be submitted to Budget Division (BD)/FD with the following basic documentary requirements:

- a. Obligation Request and Status (ORS)
- b. Disbursement Voucher (DV)
- c. Request for Funding
- d. List of Cancellation
- e. Summary of Deductions
- f. Payroll Advice

The AD/FD shall generate alphalist of deductions/contributions and process based on the received cancellation from the PS-PD/Human Resource Management Section (HRMS-AHRMD) and prepare ORS (for government share only) and process DV for the remittance of deductions/contributions from salaries of NO/RO employees to entities concerned on a monthly basis (e.g. BIR, GSIS, PAG-IBIG, PHILHEALTH, etc.). There shall be no manual adjustments of loans by AHRMD after generation of GOP. The ATM Payroll Register shall be submitted to AD/FD as attachment to the DV. The General Services Division (GSD)/AHRMD forwards the ATM Payroll Register to the Land Bank of the Philippines (LBP) for individual crediting to employees account.

Supplemental Payroll shall be prepared by PS-PD/HRMS-AHRMD once a month for those employees cancelled in the GOP due to the following reasons:

- a. No more Vacation Leave (VL) credits - not less than five (5) days
- b. Non-submission of Daily Time Records (DTR) - for two (2) months
- c. Leave of Absences Without Pay (LWOP)
- d. Non-submission of required clearances

Compensation and Benefits Section (CBS)/Information and Records Section (IRS)-PD/HRMS-AHRMD shall prepare a *Letter of Cancellation/Suspension in the GOP/Call-up Memorandum* addressed to the employee concerned informing them of the reason of their exclusion/suspension in the GOP. The concerned employees shall be required to submit a written reply/explanation on the reason of their excessive absences/tardiness, non-submission of DTR and non-compliance to clearances within five (5) working days upon receipt of the said letter. Documentation and preparation of the Supplemental Payroll shall commence only upon completion of the required documentary requirements (please refer to Section IV. Documentary Requirements of this Order) pursuant to existing COA Circular No. 20121001 dated June 14, 2012/BIR prescribed guidelines.

- a. For National Office:  
After the 10<sup>th</sup> day of the month, CBS shall forward within two (2) working days the complete documents to PS. Upon receipt of the

complete documents, PS shall process within five (5) working days the Supplemental Payroll.

b. For Regional Offices:

After the 10<sup>th</sup> day of the month, HRMS-AHRMD shall process within five (5) working days the Supplemental Payroll with complete attachments.

The Supplemental Payroll, ORS/DV/complete attachments shall be submitted to Budget Division/FD (BD/FD) for funding and processing. All documentary requirements specified herein received after the 10th day shall be processed in the succeeding month.

If the employee concerned had already accumulated five (5) Vacation Leave credits, CBS-PD/HRMSAHRMD shall prepare a *Letter of Inclusion/Resumption in the General Office Payroll*. In case of salary overpayment of employees included in the Supplemental Payroll, the PD/AHRMD shall compute the money value of overpayment, for validation by AD/FD.

Employees with Preventive Suspension Order shall be included in the next GOP after serving their preventive suspension in compliance with Personnel Adjudication Division (PAD) Memorandum. Likewise, if the employee concerned had already submitted the required clearances with attachments, CBS/IRS-PD/HRMSAHRMD shall prepare a *Letter of Inclusion/Resumption in the GOP* informing them of their inclusion in the next GOP.

Payroll registers for both the National and Regional Offices shall be generated, downloaded and printed using the new NBPS:

- a. Salary Payroll Register
- b. PERA Payroll Register
- c. Deduction List Register
- d. Payslips
- e. Alphabetical List of Employees

All Heads of Offices must ensure that all employees under their jurisdiction must have their official BIR email address. Employees shall receive an email notification regarding the printing of their own individual payslip. In cases where there are no assigned desktop computers, email addresses can be installed/configured in the computer of the designated and authorized Administrative Officer of the office or the Section Chief of the concerned employee using his/her own log-in username and password, subject to the BIR's Data Privacy Guidelines.

For authentication of the payslip, it shall be the responsibility of the employee concerned and the Chief, PD/AHRMD to certify the correctness of the generated payslip.

Based on the generated reports from the NBPS, GOP for other monetary benefits shall be prepared within five (5) working days by PS-PD/HRMS-AHRMD based on existing Department of Budget and Management (DBM) issuances/Memorandum of CIR and shall be submitted with ORS/DV/complete attachments to BD/FD pursuant to existing DBM/COA/BIR prescribed guidelines:

- a. Uniform and Clothing Allowance
- b. Mid-year Bonus
- c. Year-End Bonus and Cash Gift
- d. Productivity Enhancement Incentive
- e. Performance-Based Bonus

- f. Service Recognition Incentive
- g. Anniversary Bonus
- h. Loyalty Pay Award
- i. Step Increments — length of service/meritorious performance
- j. Other Benefits

For employees entitled to Performance-Based Bonus (PBB) submitted by various offices to PD/AHRM, the PBB Payroll Advice shall be prepared by PS/HRMS within five (5) working days upon receipt of the eligibility/entitlement from the Inter-Agency Task Force with complete attachments.

Representation Allowance and Transportation Allowance (RATA) Payroll shall be prepared by PD/AHRMD on or before the 15<sup>th</sup> day of the following month upon receipt of the following required documents:

- a. DTR - with complete entries
- b. Certificate of Actual Performance and Expenses Incurred (reimbursable)
- c. List of Official Vehicles

Pursuant to DBM National Budget Circular No. 548 dated May 15, 2013, the authorized monthly rates for RATA shall be prescribed under the pertinent provisions of the annual General Appropriations Act. The rationalized schedule on the grant of RATA is hereby prescribed as follows:

<b>Number of Workdays of Actual Work Performance in a Month</b>	<b>Actual RATA for a Month</b>
1 to 5	25% of the monthly RATA
6 to 11	50% of the monthly RATA
12 to 16	75% of the monthly RATA
17 and more	100% of the monthly RATA

A *Memorandum of Entitlement to RATA* shall be prepared by PD/AHRMD for those Officials falling below the actual number of workdays performed in a month. The DTR must be submitted on or before the 10<sup>th</sup> day of the month following the period of entitlement. In case of late submission of the DTR, the RATA of the Official/s concerned shall be included and processed in the next month's payroll.

Individual monetary claims through ORS/DV shall be prepared within five (5) working days upon receipt of complete documents by PS-PD/HRMS-AHRMD from the claimants/employees. The processing of claims shall be in accordance with existing DBM, COA and BIR issuances. This may arise, among others, from the following circumstances:

- a. Prolonged leave of absences with pay
- b. Back wages
- c. Last Salary/PERA, Bonuses, other monetary claims

Separated employees due to retirement, resignation, death and transfer to other government office shall be cancelled immediately (or before payroll lock date to avoid salary overpayment) in the GOP. Thereafter, ORS/DV shall be processed for the monetary claims once all the clearances and other separation documents are submitted to PS-PD/HRMS-AHRMD.

Initial Salaries and PERA of *new employees/transferred* shall be processed individually through ORS/DV by PS-PD/HRMS-AHRMD within five (5) working days upon receipt of the original/certified true copy of the required documents.

Individual monetary claims for employees who were cancelled in the GOP due to non-submission of BIR Regional/National/District Office Clearance and Report for Duty in compliance to RTAO shall be prepared by PS-PD/HRMS-AHRMD within five (5) working days from receipt of the required documents. In accordance with RMO No. 40-2020, an official or employee who has been transferred to a new assignment shall not be allowed to receive his/her salaries unless he/she has complied with the required complete clearances. Likewise, other bonuses and incentives shall be held in abeyance pending the submission of the required clearances.

Year-End Request for Funding for Personnel Services from concerned offices/employees shall be officially forwarded to the PD/AHRMD on or before November 15 of the current year with necessary attachments.

Request for funds from Regional Offices for issuance of Sub-Allotment Advice (SAA) shall be validated by PD within five (5) working days upon receipt of said request for funding from BD.

Application for BIR ID/E-Card from LBP shall be submitted by the employee concerned to PD/AHRMD for the preparation of the Indorsement Letter and Authority to Release. It must be supported with the following duly accomplished LBP E-Card Data Capture Form with 2x2 and 1X1 picture, white background:

<b>Reason</b>	<b>Attachment</b>
For new employees	Certified true copy of Appointment
For lost BIR ID/E-card	Affidavit of Loss
For change in position title	Certified true copy of Appointment
For change in name	PSA Copy of Birth Certificate/Marriage Contract/Judicial Declaration of Nullity of Marriage

After receipt of the indorsement letter and authority to release from the PD/AHRMD, the employee shall personally submit the necessary documents to the LBP Branch.

For changes in personnel information for Government Service Insurance System (GSIS) using Agency Remittance Advice (ARA) Forms, it shall be prepared within five (5) working days by PD/AHRMD upon receipt of accomplished GSIS ARA Request Form and supporting documents. Submitted GSIS ARA Request Forms with original copies of supporting documents shall be scanned and transmitted by PD/AHRMD to GSIS thru its web-based facility. The forms and documents are as follows:

<b>ARA Forms</b>	<b>Description/Supporting Documents</b>
A	New employees/re-employed/re-instated
B	Transferred employees
C	Salary adjustments

D	Employees with LWOP and for termination (Records of Leave Credits/Service Record)
E	Employees with changes/correction in their Personnel Data (Birth/Marriage/Death Certificate)

Monthly GSIS Clarificatory Issues shall be forwarded by AD/FD to PD/AHRMD for the preparation of GSIS ARA to be submitted to GSIS thru email facility.

To avoid salary overpayment, the Head of Office shall make a *Report on Separated Employees* and cases of death of employees to PD/AHRMD, for cancellation of their names in the applicable GOP.

All issues regarding the payroll processing/corrections to ORS and DV changes in the attachments, including cancellations, exclusions/inclusions to the payroll advice shall be done in writing and must be formally addressed to the Chief, PD/AHRMD for proper resolution.

The roles and responsibilities and documentary requirements in the preparation and processing of payroll are specified in the Order.