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REVISED PROCEDURES IN THE PAYMENT OF TERMINAL LEAVE AND RETIREMENT GRATUITY BENEFITS

DBM CIRCULAR LETTER NO. 99-4, February 09, 1999

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1.0 The amounts specifically appropriated for Terminal Leave (TL) and Retirement Gratuity (RG) benefits under each agency/department in the annual General Appropriations Act shall be withheld. The release of the Special Allotment Release Order (SARO) pertinent thereto shall be subject to the submission of a Special Budget Request (SBR), supported by the following:

1.1

The list of actual retirees with their respective position title, the date of birth and date of the original appointment, the amount to be paid for each, the effective date of retirement, and, the respective current or savings account number opened/maintained with the same GSB as that of agency (format attached [*]);

1.2

GSIS approval for those retiring under R.A. No. 660 or approval of the Department/Agency Head for those availing of the retirement benefits under R.A. No. 1616. In the case of uniformed personnel under the Department of Interior and Local Government, approval by Agency Head is required while for the military personnel, approval should be by the Office of the President.

1.3

Statement of leave credits earned by the retiree for TL claims certified by the agency Personnel Officer.

2.0 In cases where the appropriations for TL/RG has been utilized during the first two (2) months of the 1st quarter of 1999, the amount corresponding to the appropriation utilized for the purpose shall be classified under the "Not Needing Clearance" column of the Agency Budget Matrix (ABM) and shall thus be deemed released to the agency. The balance of such appropriations shall be classified under the "Needing Clearance" column of the ABM.

3.0 DBM shall schedule the release of SAROs and NCAs for TL/RG on a monthly basis. The request for release of SARO/NCA for payment of TL/RG should be made one (1) month before the retirement date of the concerned employees.

4.0 Agencies may utilize any savings in its allotment for payment of these benefits subject to DBM approval if augmentation from another allotment class is involved.

5.0 In cases where the built-in appropriation of the agency for TL/RG has been fully released/utilized, additional requirements for the same shall be charged against the Miscellaneous Personnel Benefits Fund. The following

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supporting documents in addition to the supporting documents prescribed under items 1.1 to 1.3 shall be attached;

5.1 Statement Allotment Obligations and Balances as of the month preceding the request; and,

5.2 Monthly Trial Balance of the same date.

6.0 In general, the NCA for TL/RG shall always be equivalent to the SARO issued. However, if the requirements for TL/RG shall be charged against available savings, the corresponding NCA to be issued shall be equivalent to the actual amount required for payment of TL/RG.

7.0 The NCA issued for TL/RG shall be for specific, retirees intended to be paid and can not be used to pay the agencies' other requirements. The NCA released shall be credited by the Government Servicing Bank (GSB) to the special MDS account maintained for payment of Accounts Payable.

8.0 There shall be two payment schemes for TL/RG, to wit:

8.1

The Direct Remittance Scheme to the account of the retiree, which shall be applied to the same pilot departments as that identified under the A/P direct payment scheme i.e., Department of Agriculture, Department of Education, Culture and Sports, Department of Health, Department of National Defense, and Department of Public Works and Highways.

> 8.1.1 Under this scheme, this scheme, the NCA/Advice of NCA issued (ANCAI) together with the list of retirees to be paid as well as the amount due each after retiree shall be issued by DBM to the (GSB)/concerned agency.
>
> 8.1.2 The Agency shall authorize the GSB to debit its MDS account using the Advice to Debit Account (ADA) form within twenty-four (24) hours from receipt of the ANCAI in cases where the said ANCAI is received by the agency after the effective retirement date of certain claimants. Otherwise, the ADA should be issued on the actual retirement date of retiree.
>
> 8.1.3 The retiree's savings or current account shall be credited by the GSB within twenty-four (24) hours after receipt of the ADA.
>
> 8.1.4 The GSB shall ensure that the agency's list of retirees to be paid and the amount reflected for each is consistent with the list which the DBM attached to the NCA issued.

8.2 Payment of retirees through MDS checks

> 8.2.1 Under this system, the NCA/Advice of NCA issued (ANCAI) together with the list of retirees to be paid as well as the amount due each retiree shall be issued by DBM to the (GSB)/concerned agency.
>
> 8.2.2 The agency shall issue MDS checks to the retirees included in the list which DBM attached to the NCA issued.
>
> 8.2.3 The GSB shall ensure that the name of the retirees and the amount to be paid as reflected in the Advice of Checks Issued and Cancelled (ACIC) is consistent with the list of retirees attached to the NCA issued by DBM.

9.0 It is understood that all agencies under the coverage of DBM-Regional Offices (ROs) shall submit their requests for issuance of SARO/NCA for TL/RG with the DBM-RO concerned.

10.0 All provisions of existing issuances, which are consistent with the provisions of this Circular Letter, shall remain in force.

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11.0 Cases not covered by this Circular Letter shall be referred to the DBM Secretary for resolution.

12.0 These guidelines shall take effect immediately.

Adopted: 09 Feb. 1999

(SGD.) BENJAMIN E. DIOKNO
Secretary

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[*] Text available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

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