



7 March 2024

**MEMORANDUM CIRCULAR NO. 45**  
Series of 2024

**T O: All Concerned**

**R E: Monetization of Leave Credits (MLC) in Fiscal Year 2024**

This is in relation to DBM Circular Letter No. 2024 – 1 dated January 31, 2024 on Guidelines on the Processing of Requests for the Monetization of Leave Credits in Fiscal Year (FY) 2024. Please take note of the important provisions particularly on the following sections:

Sec. 3.0 xx The appropriate amount for Pension and Gratuity Fund (PGF) was substantially reduced under the FY 2024 GAA, thereby the prioritization of the fund is necessary to ensure that payment of Retirement Gratuity/Terminal Leave (RG/TL) Benefits and Pension are met/settled.

Sec. 4.0 Consequently, payment of MLC may only be allowed under extraordinary circumstances, e.g. for medical emergencies and calamity-related concerns, and shall be charged against the departments/agencies' available Personnel Services (PS) allotments from their built-in appropriations, after satisfying the requirements for the Retirement Gratuity/Terminal Leave (RGTL) of retirees. (underscoring supplied)

Sec. 6.1 The use of available PS appropriations intended for payment of RG/TL benefits for the purpose of paying MLC shall not be allowed.

**It is noted that last year's guidelines were not strict since the purpose was not limited but for this year, it is only for the above circumstances.**

Kindly take note that we can file your request for Monetization with DBM RO-VIII subject to the above conditions (e.g. medical emergencies, calamity-related concerns). On the other hand, we can also accommodate MLC under other reasons only by November-December of this year subject to PS savings.

Attached is DBM Circular Letter No. 2024-1 dated January 31, 2024 for your reference.

For your information and guidance.

**DANIEL LESLIE S. TAN**  
OIC-President



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA



**CIRCULAR LETTER**

No. 2024 - 1  
January 31, 2024

**TO : All Heads of Departments, Agencies, Bureaus, and Offices of the National Government, including State Universities and Colleges and Constitutional Offices, and All Others Concerned**

**SUBJECT : PROCESSING OF REQUESTS FOR THE MONETIZATION OF LEAVE CREDITS (MLC) IN FISCAL YEAR (FY) 2024**

- 1.0 This Circular is issued to prescribe the guidelines on the processing of MLC and the corresponding funding source therefor.
- 2.0 The MLC shall be processed by an agency, subject to the provisions of Civil Service Commission (CSC) Memorandum Circular (MC) Nos. 41, s. 1998<sup>1</sup> and 16, s. 2002<sup>2</sup>, and other related prevailing rules and regulations of the CSC and the Department of Budget and Management (DBM).
- 3.0 Special Provision No. 1(d) of the Pension and Gratuity Fund (PGF) under the FY 2024 General Appropriations Act (GAA), Republic Act (RA) No. 11975, authorizes payment for MLC for National Government personnel. However, the appropriated amount for PGF was substantially reduced under the FY 2024 GAA, thereby the prioritization of the fund is necessary to ensure that payment of Retirement Gratuity/Terminal Leave (RG/TL) Benefits and Pension are met/settled.
- 4.0 Consequently, payment of MLC may only be allowed under extraordinary circumstances, e.g., for medical emergencies and calamity-related concerns, and shall be charged against the departments/agencies' available Personnel Services (PS) allotments from their built-in appropriations, after satisfying the requirements for the RG/TL of retirees.

<sup>1</sup> Amendments to Rules I and XVI of the Omnibus Rules Implementing Book V of the Administrative Code of 1987 (Executive Order No. 292), dated December 24, 1998

<sup>2</sup> Amendment to Section 23, Rule XVI of the Omnibus Rules Implementing Book V of the Administrative Code of 1987, also known as the Omnibus Rules on Leave, dated June 2, 2002



- 5.0 Available PS allotments arise under the following circumstances as defined per item 5.2.3 of the National Budget Circular (NBC) No. 592<sup>3</sup>, as follows:
- 5.1 Incurrence of leave of absence without pay;
  - 5.2 Vacant positions on account of termination, resignation, transfer, retirement or separation;
  - 5.3 Delay in the actual assumption of duty from the date of appointment;
  - 5.4 Suspension and other disciplinary sanctions;
  - 5.5 Erroneous computation of PS benefits; or
  - 5.6 Other similar instances.
- 6.0 Agencies are reminded of the following:
- 6.1 The use of available PS appropriations intended for payment of RG/TL benefits for the purpose of paying MLC shall not be allowed.
  - 6.2 Considering the tight fiscal outlook for FY 2024, items covered by PS allotments used for payment for MLC, being already deemed savings, cannot qualify for later charging against the Miscellaneous Personnel Benefits Fund, PGF, among others, in the FY 2024 GAA.
  - 6.3 The request for payment for MLC may only be charged from the FY 2024 PGF when the agency's PS appropriations/allotments are insufficient to meet the MLC requirements for extraordinary circumstances.
- 7.0 This Circular shall take effect immediately.

  
**AMENAH F. PANGANDAMAN**  
Secretary



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<sup>3</sup> Guidelires on the Release of Funds for Fiscal Year (FY) 2024, dated January 2, 2024