



31 August 2022

MEMORANDUM CIRCULAR NO. 92
Series of 2022


T O: All Concerned Employees
R E: Withholding Tax on Other Taxable Compensation

The Office of the Head of Accounting had to impose the proper taxes earned by each employee from all taxable sources. To avoid a large amount of taxes withheld in December (the final month for tax adjustment), it is proposed that correct taxes should be withheld for all taxable benefits.

Other taxable compensations (e.g., Honorarium, Overtime Pay, Hazard Pay, Night Differential Pay) of regular and casual employees who exceed the P250,000.00 annual taxable compensation should be subjected and withheld with the applicable tax rate based on the employee's compensation range. Previously, only 5% or 10% was withheld from these compensations. By doing so, the tax related to these other taxable compensations will not be lumped and deducted anymore from the employees' basic salary received per *quincena* and/or in December as the final month for tax adjustment.

With this, all clerks and personnel who are in charge of the preparation of the disbursement voucher/payroll related to the other taxable compensation mentioned above are advised to coordinate with the Office of the Head of Accounting (c/o Ms. Valerie Y. Vergis) for the applicable tax rate of each employee entitled to the other taxable compensation.

For your strict compliance.


EDGARDO E. TULIN
President