



**VISAYAS**  
STATE UNIVERSITY

## OFFICE OF THE VICE PRESIDENT FOR ADMINISTRATION AND FINANCE

30 January 2024

**OVPAF MEMO CIRCULAR NO. 03**  
Series of 2024

**T O** : All Concerned Employees

**R E** : Withholding Income Tax Computation

This is to remind all concerned employees regarding the withholding income tax computation using the income tax rates under the TRAIN Law (see attached **Annex A** for the tax table used).

In connection with this, the correct taxes should be withheld for all taxable benefits to avoid large amount of taxes withheld in the monthly payroll. Other taxable compensations (e.g., Honorarium, Overtime Pay, Awards/Prizes, Hazard Pay, Night Differential Pay) of Regular, Casual and Contractual employees who exceed the P 250,000.00 annual taxable compensation should be subjected and withheld with the applicable tax rate based on the employees' compensation range. 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 in the preparation of the disbursement voucher/payroll related to the other taxable compensation mentioned above are advised to coordinate with the following staff of the Accounting Office for the income tax rate per employee:

Employment Status	Person In-charge
Regular	Ms. Valerie Y. Vergis
Casual/Contractual	Ms. Maribel L. Caballero

Moreover, attached herewith are **Annex B** (Summary of Tax Treatment for different types of compensations/benefits), **Annex C** (Sample computation of monthly withholding tax deduction for basic salary) and **Annex D** (Sample computation of monthly withholding tax deduction for basic salary with honorarium and if taxes on honorarium already withheld).

For any concerns, please contact the above-mentioned personnel in-charge.

For your information and strict compliance. Thank you!

*Edgardo E. Tulin*  
**EDGARDO E. TULIN** *OIC-VP 1/31/24*  
OIC-VP for Administration and Finance



## ANNEX A. Current Income Tax Table under the Train Law

EFFECTIVE DATE JANUARY 1, 2023	
Not over P250,000	0%
Over P250,000 but not over P400,000	15% of the excess over P250,000
Over P400,000 but not over P800,000	P22,500 + 20% of the excess over P400,000
Over P800,000 but not over P2,000,000	P102,500 + 25% of the excess over P800,000
Over P2,000,000 but not over P8,000,000	P402,500 + 30% of the excess over P2,000,000
Over P8,000,000	P2,202,500 + 35% of the excess over P8,000,000

Reference: <https://www.bir.gov.ph/index.php/tax-information/withholding-tax.html#wt10>

## ANNEX B. Summary of Tax Treatment for different types of compensations/benefits

Types of Compensation	Tax Treatment
Basic Salary	Taxable
Overtime Pay	Taxable
Hazard Pay	Taxable
Honorarium	Taxable
Night-shift Differential Pay	Taxable
Award/Prizes	Taxable
Subsistence Allowance	Part of other benefits P 90,000.00 pool
Mid-Year Bonus	Part of other benefits P 90,000.00 pool
Year End Bonus	Part of other benefits P 90,000.00 pool
Service Recognition Incentive (SRI)	Part of other benefits P 90,000.00 pool
Performance-Based Bonus (PBB)	Part of other benefits P 90,000.00 pool
Cultural Allowance	Part of other benefits P 90,000.00 pool
Loyalty Bonus	P 10,000.00 de minimis, excess of P 10,000.00 part of other benefits
Productivity Enhancement Incentive (PEI)	P 5,000.00 de minimis, excess of P 5,000.00 part of other benefits
Collective Negotiation Agreement Incentive (CNA)	P 10,000.00 de minimis, excess of P 10,000.00 part of other benefits
Laundry Allowance	P 300.00/mo de minimis, excess of P 300.00 part of other benefits
Christmas Cash Gift	P 5,000.00 de minimis, excess of P 5,000.00 part of other benefits
Clothing Allowance	P 6,000.00 de minimis, excess of P 6,000.00 part of other benefits
ACA PERA	Exempted
Representation Allowance (RA)	Exempted
Transportation Allowance (TA)	Exempted
Representation Expenses	Exempted
Terminal Leave Benefits	Exempted
Monetization	Exempted
Extraordinary and Misc. Expenses	Exempted

Reference: BIR Revenue Regulations No. 11-2018

# ANNEX C. Sample computation of monthly withholding tax deduction – Basic Salary

EMPLOYEE 1 - basic salary only (12 months employed)			
	Monthly (P)	TOTAL (P) *multiplied by 12 mos	
Basic	69,963.00	839,556.00 *	
Less: Premiums (LRP, PhPr, PagPr)**	8,245.75	98,849.00 *	
		740,707.00	
Add:			
Honorarium			
Excess of 90k pool	86,426.00	86,426.00	
Total Taxable Income		827,133.00	
Less: Exemption based on Income range		800,000.00	
Net Taxable Income after exemption		27,133.00	
Multiplied: Tax rate based on Income range		0.25	
Net Taxable Income after Tax rate		6,783.25	
Add: Fixed tax based on Income range		102,500.00	
Tax Due		109,283.25	
Less: Tax Withheld			
Remaining Tax Due (P)		109,283.25	
Divided : 11 months		11	
January-November withholding tax deduction if no salary increase		9,934.84	
A. Other Benefits under P 90,000.00 pool		B. Other Benefits under De Minimis	
Midyear Bonus	69,963.00	Clothing Allowance	5,000.00
Yearend Bonus	69,963.00	Loyalty Bonus	
C N A	15,000.00	PEI	5,000.00
SRI	20,000.00	C N A	10,000.00
PBB		Cash Gift	5,000.00
Cultural Allowance	1,500.00	Total Benefits (P)	26,000.00
Others			
Total Benefits under P 90,000.00 pool	176,426.00		
Less:	(90,000.00)		
Excess of P 90,000.00 pool (taxable)	86,426.00		

\*\*Premiums :  
LRP 6,296.67  
PhPr 1,749.08  
PagPr\*\*\* 200.00  
8,245.75

\*\*\* January 2024 : PagPr 100.00 only

divided by 11 months only ; December is for any adjustments to be made ; no tax deduction for December if no adjustments

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Over P250,000 but not over P400,000	15% of the excess over P250,000
Over P400,000 but not over P800,000	P22,500 + 20% of the excess over P400,000
Over P800,000 but not over P2,000,000	P102,500 + 25% of the excess over P800,000
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Vision:  
Mission:

A globally competitive university for science, technology, and environmental conservation.  
Development of a highly competitive human resource, cutting-edge scientific knowledge and innovative technologies for sustainable communities and environment.



**ANNEX D. Sample computation of monthly withholding tax deduction for basic salary with honorarium and if taxes on honorarium already withheld.**

<b>EMPLOYEE 1 - with honorarium</b> (12 months employed)			
		Monthly (P)	TOTAL (P) *multiplied by 12 mos
Basic		69,963.00	839,556.00 *
Less: Premiums (LRP, PhPr, PagPr)**		6,245.75	98,949.00 *
			740,707.00
Add:			
Honorarium	2,625.00		
Excess of 90k pool	86,426.00		
Total Taxable Income			89,051.00
Less: Exemption based on income range			829,758.00
Net Taxable Income after exemption			800,000.00
Multiplied: Tax rate based on income range			29,758.00
Net Taxable Income after Tax rate			0.25
Add: Fixed tax based on income range			7,439.50
Tax Due			102,500.00
Less: Tax Withheld			109,939.50
Remaining Tax Due (P)			656.25
Divided: 11 months			109,283.25
January-November withholding tax deduction if no salary increase			11
			9,934.84
<b>A. Other Benefits under P 90,000.00 pool</b>			
Midyear Bonus	69,963.00		
Yearend Bonus	69,963.00		
C N A	15,000.00		
SRI	20,000.00		
PBB			
Cultural Allowance	1,500.00		
Others			
Total Benefits under P 90,000.00 pool	176,426.00		
Less:	(90,000.00)		
Excess of P 90,000.00 pool (taxable)	86,426.00		
<b>B. Other Benefits under De Minimis</b>			
Clothing Allowance	6,000.00		
Loyalty Bonus			
PEI	5,000.00		
C N A	10,000.00		
Cash Gift	5,000.00		
Total Benefits (P)	26,000.00		

<b>EFFECTIVE DATE JANUARY 1, 2023</b>	
Not over P250,000	0%
Over P250,000 but not over P400,000	15% of the excess over P250,000
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**Honorarium and its equivalent tax rate:**

Honorarium (P)	2,625.00
Multiplied by tax rate	0.25
Total Honorarium Net (P)	656.25
	1,968.75