

F.A.Q. (Frequently Asked Questions) on Earnings and Tax Consolidation

Question: Where should I route my BIR form 2316?

Answer: Route your form via mailroom ONLY, do not drop it to benefit mailbox.

Manila: **AEE Records Management at 19.24E
Cybergate 2**
Cebu: **AEE Records Management at 4.04A
Pioneer House**

Question: What are the criteria that will make my 2316 invalid?

Answer: Incorrect Calendar Year (e.g. not current calendar year); Period Covered does not match the previous employment duration; TIN is incorrect; Signature of the Employee and Employer are not populated; Figures and Details are not clear and legible; Tax withheld is negative

Question: Who should undergo earnings and tax consolidation?

Answer: All employees with one or multiple employers within the current calendar year

Question: Why does my 2316 form from my previous employer need to be consolidated to my Accenture earnings and taxes?

Answer: Accenture has adopted the annualized income approach and thus need to account for all taxable compensation income for the entire taxable year of all of its employees in accordance with Section 24 (A) of the National Internal Revenue Code.

Question: What is the impact if my earnings and taxes from my previous employer don't get consolidated?

Answer: You will be responsible for declaring all your taxable compensation income, compute for your tax due and compare it against what Accenture has withheld from your salary and in most cases will result to an employee paying additional taxes during the April 15 ITR filing.

Question: When should my 2316 form be submitted for earnings and taxes consolidation?

Answer: Immediately as soon as you were informed by your previous employer(s) on its availability. Note that it is expected that you exert all efforts to secure this document as soon as possible.

Question: How much is the impact to my net pay after the earnings and taxes consolidation?

Answer: The impact will vary from employee to employee depending on the amount of taxable earnings, applied tax exception and applicable tax rate. If there are any adjustments this may result to additional tax owed to the government and ma additional tax will be deducted 1x time from your pay and may result to negative or minimal pay.

Question: When will the deduction commence (if applicable)?

Answer: Additional tax that needs to be withheld will commence immediately the applicable payroll period upon receipt of a **valid** BIR2316

Question: Can deduction be on a staggered basis?

Answer: No, since this is already tax owed and needs to be remitted.

Here are the impacts of earnings and tax consolidation:

- 1st 90,000 non-taxable bonuses
- Catch-up tax due to tax rate difference

Question: Why is there an impact on 1st 90k non-taxable bonus?

Answer: In your previous employer, 1st 90k non-taxable bonus was already considered upon computation of last pay.

In Accenture, tax is annualized and Per BIR, you should only claim one 90k non-taxable bonus in a year. Therefore during consolidation, 90k claimed from previous employer will now become taxable.

Question: What is the catch-up tax rate?

Answer: In your previous employer, your tax rate is based on the earnings during the months served, hence in most cases; you were put on a lower tax rate.

In Accenture, before consolidation, system will assume that Accenture is the only employer for the year, hence tax rate will also be lower because earnings is from the date of hire to December.

During consolidation, when previous earnings and Accenture earnings are combined, thus your income will fall under a higher tax rate. Therefore there is a catch-up tax to correct the tax rate.

Printed Name & Signature

Date :