

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

November 29, 2007

REVENUE MEMORANDUM CIRCULAR NO. 6-2008

SUBJECT: Circularizing the Full Text of Executive Order No. 637, Entitled Providing the Basis for the Computation of the Incentive Benefits of Personnel Who May be Affected by the Implementation of the Rationalization Program under Executive Order (EO) No. 366, S. 2004

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all internal revenue officials, employees and others concerned, quoted hereunder is the full text of Executive Order No. 637 by the President of the Philippines dated July 24, 2007:

“EXECUTIVE ORDER NO. 637

PROVIDING THE BASIS FOR THE COMPUTATION OF THE INCENTIVE BENEFITS OF PERSONNEL WHO MAY BE AFFECTED BY THE IMPLEMENTATION OF THE RATIONALIZATION PROGRAM UNDER EXECUTIVE ORDER (EO) NO. 366, S. 2004

WHEREAS, EO 366 dated 04 October 2004 directs all Department Secretaries/Agency Heads to take the lead in pursuing the conduct of a strategic review of the operations and organizations of all their component units, including those of the agencies and government-owned and/or controlled corporations (GOCCs)/government financial institutions (GFIs) attached to or under their respective administrative supervision, to focus government efforts on its vital/core functions and channel government resources to these core public services, thus improve the efficiency and effectiveness of government services, within affordable levels, and in the most accountable manner;

WHEREAS, in the implementation of the Rationalization Program under EO 366, personnel assigned to functions, programs, projects and units that would be affected would be given the option to either: (1) ***remain in government service*** and be placed in other government agencies needing additional personnel; ***or*** (2) ***avail of retirement / separation benefits***, plus the applicable incentive;

WHEREAS, EO 611 (Authorizing Compensation Adjustments to Government Personnel) dated 14 March 2007 provides for a 10% increase effective 01 July 2007 over the basic monthly salary as of 30 June 2007 of all civilian national government personnel whose positions are covered by the Position Classification and Compensation System under RA 6758, as amended;

WHEREAS, equity and fairness must be ensured in granting incentives to all affected personnel who opted/are opting to avail of retirement/separation benefits;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO,
President of the Republic of the Philippines, by virtue of the powers vested
in me by law, do hereby order:

Section 1. *Guidelines in the Computation of Incentives.* The
incentive benefits that would be received by personnel who would opt to
avail of the retirement benefit under **RA 660** or the applicable retirement,
separation or unemployment benefit provided under **RA 8291** as a result of
the rationalization efforts of the different Departments/Agencies/
GOCCs/GFIs of the Executive Branch, and whose retirement/separation
from government service would be effective starting 01 July 2007 or a later
date, shall be computed using the actual monthly salary of said personnel
as of **30 June 2007**.

The affected personnel's terminal leave benefits and
retirement/separation benefits which would be provided by the National
Government and the Government Service Insurance System (GSIS),
respectively, shall be computed using the existing Department of Budget
and Management and GSIS rules and regulations on the matter at the time
of their retirement/separation.

The Department Secretaries/Agency Heads shall be accountable for
the correct computation of the incentive benefits of affected personnel in
their respective offices.

Section 2. *Repealing Clause.* All executive orders, rules,
regulations and other issuances, or parts thereof, which are inconsistent
with the provisions of this Executive Order, are hereby revoked or modified
accordingly.

Section 3. *Effectivity.* This Executive Order shall take effect upon
its publication in a national newspaper of general circulation.

DONE in the City of Manila this 24th day of July, in the year of Our
Lord Two Thousand and Seven.

(Signed)
GLORIA M. ARROYO
President, Republic of the Philippines

By the President:

(Signed)
EDUARDO R. ERMITA
Executive Secretary"

All revenue officials and employees are enjoined to give this Circular as wide a
publicity as possible.

(Original Signed)
LILIAN B. HEFTI
Commissioner of Internal Revenue