



Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



October 1, 2025

REVENUE MEMORANDUM ORDER NO. 043-2025

SUBJECT: Guidelines on the Grant of Medical Allowance to Employees of the Bureau of Internal Revenue (BIR)

TO: All Revenue Officials and Employees Concerned

I. BACKGROUND

Section 7 of Executive Order (EO) No. 64, series of 2024 authorized the grant of a Medical Allowance in an amount not exceeding Seven Thousand Pesos (Php 7,000.00) per annum beginning the Fiscal Year (FY) 2025 to each qualified government civilian personnel as a subsidy to avail of Health Maintenance Organization (HMO)-type benefits subject to the conditions and guidelines issued by the Department of Budget and Management (DBM), per Budget Circular (BC) No. 2024-6 dated December 12, 2024.

To ensure a healthy workforce through equal access to health care and increase employee productivity thereby providing higher-quality public services, the Bureau of Internal Revenue shall adopt the guidelines set forth the above-mentioned policies.

II. OBJECTIVE

This Order aims to:

1. Establish the internal guidelines on the grant of Medical Allowance pursuant to EO No. 64 s., 2024 and DBM BC No. 2024-6;
2. Prescribe the procedures in the granting of medical allowance; and
3. Identify the roles and responsibilities of offices-in-charge and eligible BIR personnel in availing the Medical Allowance.

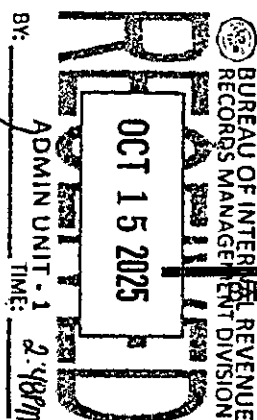
III. SCOPE AND EXCLUSIONS

The grant of Medical Allowance in the BIR applies to all officials and employees regardless of appointment status, excluding individuals hired without employer-employee relationship, such as Contract of Service (COS) and outsourced personnel, among others.

IV. DEFINITION OF TERMS

1. **Geographically Isolated and Disadvantaged Areas (GIDAs)** – refer to communities/areas which are specifically disadvantaged due to the presence of both physical (refers to characteristics that limit the delivery of and/or access to basic health services to communities that are difficult to reach due to distance, weather conditions, and transportation difficulties) and socio-economic (refers to social, cultural, and economic characteristics of the community that limit access to and utilization of health service) factors.

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social, cultural, and economic characteristics of the community that limit access to and utilization of health service) factors.

2. **HMO provider** - refers to a juridical entity legally organized to provide or arrange for the provision of pre-agreed or designated health care services to its enrolled members for a fixed pre-paid fee for a specific period of time.
3. **HMO-type product** - refers to an agreement issued on individual/family or group basis approved pursuant to Insurance Commission (IC) Circular Letter No. 2017-19 and issued by duly licensed HMO companies by the IC.
4. **Medical Allowance** – pursuant to Revenue Memorandum Circular No. 107-2024, the Medical Allowance is a de minimis benefit under Section 2.78.1(A)(3) of Revenue Regulations No. 2-98 and is not subject to income tax or withholding tax.
5. **Head of Office** – refer to the holder of the highest position in a division/office/service/group. They are the Division Chief in National and Regional Offices; Head of Revenue Data Centers (RDC); Regional Director (RD) for the Office of the Regional Director; Assistant Commissioner in Services; Deputy Commissioner in Groups and Commissioner of Internal Revenue (CIR) in the Office of the Commissioner.
6. **Administrative Action Personnel (AAP)** – refer to BIR personnel in-charge or assigned with administrative matters per division/office/service/group. They are the Assistant Division Chiefs in National Office, Revenue Regions, and RDCs; Assistant Revenue District Officers in Revenue District Offices; Administrative Officers in Office of the Regional Director/Services/Groups.
7. **“Six (6) Month of Service”** – For purposes of this Order, six (6) months shall be reckoned in accordance with Section 31, Chapter 8, Book I of the Administrative Code of 1987. As a general rule, a month is thirty (30) days; however, where service refers to a specific calendar month, the actual number of days in that month shall apply.

V. RATES OF THE MEDICAL ALLOWANCE

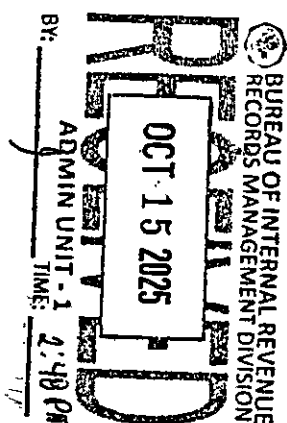
For FY 2025, the Medical Allowance for BIR personnel shall not exceed Php 7,000.00 per annum.

For each subsequent year, the Medical Allowance shall not exceed the amount authorized under the pertinent general provisions in the annual General Appropriations Act.

VI. CONDITIONS AND GUIDELINES FOR THE GRANT OF MEDICAL ALLOWANCE

The grant of the Medical Allowance for BIR personnel shall be subject to the following conditions and guidelines:

1. They are already in the government service and are to render services for at least a total or an aggregate of six (6) months in a particular fiscal year, including leaves of absence with pay, as well as those services rendered under any of the alternative work arrangements prescribed by the Civil Service Commission.
2. Newly hired personnel may qualify for the grant of Medical Allowance after they have rendered six (6) months of service.



3. For Transferred Personnel:

- 3.1 Those who transferred to BIR within the year and was not granted Medical Allowance by their former agency, subject to the submission of a certification to the effect;
 - 3.2 Those who transferred to BIR within the year but was earlier granted Medical Allowance by their former agency shall no longer be granted Medical Allowance by the BIR; and
 - 3.3 Those who transferred their place of assignment within the BIR thru a Revenue Travel Assignment Order (RTAO) shall secure a Certificate of Non-Payment from previous office and submit it to the new office assignment where the certification is required to determine if they are still entitled to receive the Medical Allowance.
4. The Medical Allowance of personnel who are detailed to another government agency shall be granted by their parent agency, while those on secondment shall be paid by the recipient agency.
 5. For compulsory retirees, whose services have been extended, may be granted the Medical Allowance, provided that they complete at least six (6) months of service within the year.
 6. For separated personnel due to retirement or resignation may be granted the Medical Allowance only if they have completed at least six (6) months of service within the same year prior to separation, subject to the submission of the required supporting documents.

In case of death, entitlement to the Medical Allowance shall arise only if the six (6)-month service requirement has been satisfied and the employee has either: (a) been validly enrolled in a Health Maintenance Organization plan procured through the Bureau, an employees' organization, or by individual arrangement under which the employee has already paid the corresponding premium; or (b) incurred eligible receipted medical expenses under the allowable conditions.

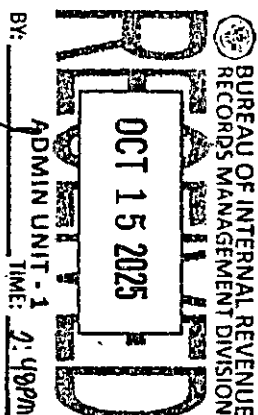
In such cases, reimbursement of the allowable amount may be claimed by the legal heirs. No cash equivalent shall be released to heirs in lieu of Health Maintenance Organization coverage or expenses not validly incurred by the employee.

7. Those who are formally charged with administrative and/or criminal cases, which are still pending for resolution, shall be entitled to Medical Allowance until found guilty by final and executory judgement, provided that:

- 7.1 Those found guilty shall not be entitled to the Medical Allowance in the year of finality of the decision and shall refund the amount received for that year, if any; and
- 7.2 If the penalty imposed is only a reprimand, the personnel concerned shall be entitled to Medical Allowance.

8. For Personnel on Study Leave or Study Training/Scholarship Grant:

- 8.1 Those who are on study leave or on study/training/scholarship grant,



whether locally or abroad, shall be entitled to the grant of Medical Allowance for the year if they render at least six (6) months of service in the same year, including leaves of absence with pay, prior to and/or after the study leave or study/training/scholarship grant; and

- 8.2 If they are on study/training/scholarship grant for the entire year, whether locally or abroad, they shall not be entitled to the Medical Allowance.

VII. FORMS AND OTHER DETAILS OF THE MEDICAL ALLOWANCE

1. The medical allowance may be granted in the following forms:

1.1 **Group Arrangement** in form of HMO-type product coverage availed by the BIR (National and Regional Offices); or

1.2 **Individual Arrangement** in cash form through Disbursement Voucher (DV) per office for BIR personnel who:

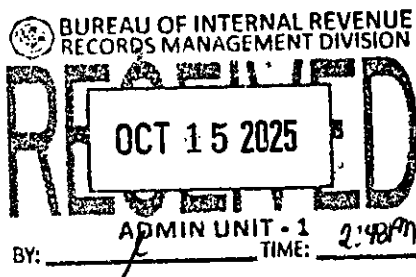
1.2.1 Availed new HMO-type benefit;

1.2.2 Paid existing or renewed HMO-type benefit;

1.2.3 Paid their medical expenses such as but not limited to hospitalization, emergency care, diagnostic tests and medicines, **due to difficulty in acquiring HMO-product** in view of the following:

- a. Their localities/communities are identified as GIDA, as certified by the CIR for the National Office and Regional Directors in Regional Office.
- b. Their localities have no adequate HMO branch or office of a licensed HMO company, as certified by the CIR for the National Office and Regional Directors in Regional Office; or
- c. Application of the personnel concerned in acquiring HMO coverage has been denied by an HMO company.

Considering the number of personnel and geographical location of BIR offices particularly in the far-flung areas, the Regional Director (RD) of the concerned region are authorized to issue certification for the conditions stated in Sections VII, 1.2.3 (a and b), as supported by relevant data from the LGU or other applicable government agencies.



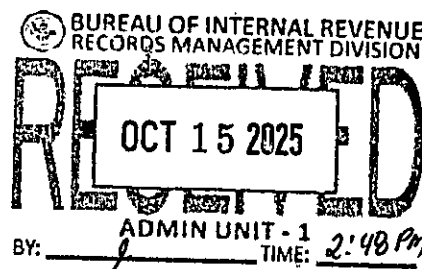
For group arrangement availed through respective employee's organizations/groups, a separate policy shall be issued to provide detailed guidelines for implementation, as necessary.

2. In case that the BIR personnel opted to continue their existing HMO product, the Medical Allowance shall cover the fiscal year, in whole or in part, when the allowance was granted.
3. Those who are enrolled in other HMO provider, whether as dependent of their

spouse, parent/s or child/children, must provide proof of enrollment as stated in Section VIII, Item 2.2 of this Order and shall be subjected for verification of the head of office.

4. In addition to the preventive care and wellness programs that an HMO product must provide, an HMO product availed by BIR personnel must have at least one (1) of the following benefits:

- 4.1 In-Patient Benefit
- 4.2 Out-Patient Benefit
- 4.3 Emergency Care Benefit
- 4.4 Annual Physical Exam
- 4.5 Executive Check-up
- 4.6 Dental Benefit
- 4.7 Maternity Benefit



5. The period of HMO coverage shall be valid for twelve (12) months from the effectivity date.
6. If the HMO-type product availed by the concerned personnel is below the rate of Php 7,000.00, they shall still receive the entire amount of Php 7,000.00. Moreover, if the HMO-type product availed by the concerned personnel is higher than Php 7,000.00, they will personally shoulder the additional amount thereto.
7. The availment of Medical Allowance for both group and individual arrangement shall not be earlier than July 1st of the fiscal year.

VIII. PROCEDURES IN AVAILING AND PAYMENT OF MEDICAL ALLOWANCE

1. A Medical Allowance Committee (MAC) shall be created to handle matters on grant of the medical allowance in the National and Regional Offices. The composition are as follows:

National Office

Chairpersons: Assistant Commissioner, Human Resource Dev't Service
Assistant Commissioner, Finance Service

Members: Chief, Personnel Division (PD)
Chief, Accounting Division (AD)
Chief, Budget Division (BD)
Chief, Training Management Division (TMD)
Chief, Legal and Legislative Division (LLD)
Representative per Functional Group
Representative from BIR Accredited Employees Union

Secretariat: PD/AD/BD/TMD/LLD Staff

Revenue Regions

Chairperson: Assistant Regional Director

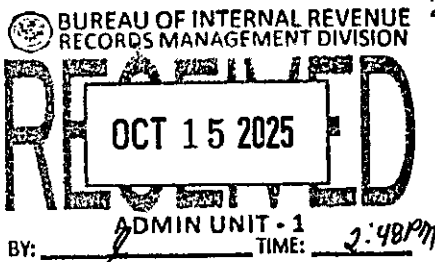
Members: Chief, Admin. and Human Resource Mngt. Division (AHRMD)
Chief, Finance Division (FD)

Chief, Legal Division (LD)
Representative from Assessment Division, Collection Division,
Document Processing Division, Regional Investigation Division,
and Revenue District Offices
Representative from BIR Accredited Employees Union

Secretariat: AHRMD/FD/LD Staff

Roles and Responsibilities

- a) Search/accept and screen HMO products/plans for group arrangement offered by HMO providers duly accredited by the Insurance Commission.
 - b) Conduct meeting with HMO providers to determine applicable HMO plans for BIR personnel equivalent to the amount of the Medical Allowance.
 - c) Facilitate meeting between HMO providers and BIR personnel to present the HMO products/plans available for group arrangement.
 - d) Conduct survey to all BIR personnel to support the selection of HMO provider for the fiscal year.
 - e) Conduct deliberation and selection of HMO provider for group arrangement and recommend for the most beneficial HMO plan for the employees.
 - f) Review and provide inputs on policies related to the grant of medical allowance including HMO contracts/agreement.
 - g) Evaluate and recommend localities identified as GIDA as well as those who do not have adequate HMO branch or office of a licensed HMO company.
 - h) Safekeep documentation relative to the grant of medical allowance.
 - i) Perform other related duties as necessary.
2. The BIR personnel shall fill-out the Medical Allowance Availment Form (MAAF) "Annex A", select their form of availment (group/individual arrangement) and submit it to their AAP.
- 2.1 For group arrangement, the BIR shall secure/arrange the availment of their HMO product/plan.
- 2.2 For individual arrangement, the concerned personnel must attach the following to the MAAF:
- 2.2.1 Those who availed their own HMO plan or paid their existing/renewed their existing HMO-type benefit shall submit a proof of enrollment with an HMO provider duly licensed by IC such as but not limited to:



- a. Certified copy of the HMO agreement or valid identification card issued by the HMO provider; and
- b. Certification of membership issued by the HMO provider; or

- c. Original invoice/certification for the payment of membership fee for the HMO product acquired.

2.2.2 Those who paid their medical expenses due to difficulty acquiring HMO product are required to submit the following documents to their office AAP for consolidation:

- a. Certification of GIDA or Certification of no adequate HMO branch or office of a licensed HMO company or Proof of Denial from any HMO company duly licensed by IC; and
- b. Original invoice for the medical services undertaken such as but not limited to hospitalization, emergency care, diagnostic tests, and prescribed medicines.

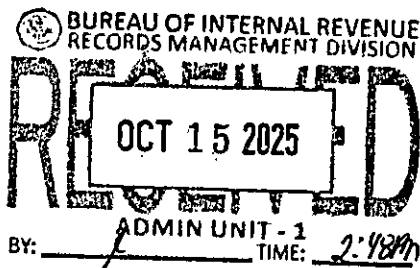
3. The AAP shall validate the eligibility and complete documentation of BIR personnel assigned in their office based on the submitted MAAF.

4. The AAP shall group the MAAFs according to the selected form of availment and prepare the following for submission to PD/AHRMD:

4.1. MAAF of group arrangement shall be forwarded to the PD/AHRMD for preparation of Medical Allowance Payroll (Annex B)

4.2 For Individual Arrangement:

4.2.1 Medical Allowance Payroll (Annex C) certified by the Head of Office with the required documents



- a. Fully accomplished MAAFs and required attachments
- b. List of BIR Employees assigned at National Office/Regional Office with pending/decided Administrative / Criminal Cases from Personnel Adjudication Division/Regional Investigation Division
- c. Copy of contract of BIR personnel on official study leave, training for six (6) months.
- d. Certificate of Non-Payment, Clearance from previous Office and Certificate of Leave Without Pay (LWOP) of BIR personnel who transferred from other Government Office
- e. Certificate of Non-Payment from previous office, Regional/ National/ District Office Clearance (whichever is applicable), Certificate of LWOP of BIR personnel who transferred thru an RTAO
- f. Obligation Request and Status (ORS-Box A) and Disbursement Voucher (DV-Box A) shall be signed by the PD

For regional offices, the AHRMD shall furnish a copy of Annex B and C to the Finance Division (FD) and submit the same to the Budget Division (BD) for issuance of Sub-Allotment Advice (SAA).

5. For Individual Arrangement:

5.1 The Chief, PD/AHRMD shall sign the Medical Allowance Payroll and ORS (Box A) and transmit it to the BD/FD.

5.2 The BD/FD shall:

5.2.1 For National Office, the BD shall sign the ORS (Box B) and transmit the same together with the complete documents to AD

5.2.2 For Regional Offices, the FD shall sign the ORS (Box B), process and sign the DV (Box C)

6. For Group Arrangement:

6.1 The PD/AHRMD shall consolidate all MAAFs for group arrangement.

6.2 The National/Regional MAC will search/accept/screen HMO products/plans, deliberate, and select the HMO provider for the fiscal year. The procurement/avilment of the chosen HMO product shall be subject to the existing budgeting, accounting, and auditing rules, and regulations.

6.3 The MAC Secretariat shall prepare the Contract/Agreement for signature of authorized signatories (National Office – CIR, Regional Offices – RD).

6.4 The HMO Provider shall deliver the following to the PD/AHRMD:

6.4.1 HMO contract/agreement; and

6.4.2 Health card issued by the HMO provider

6.5 The PD/AHRMD shall prepare and sign the ORS (Box A) and DV (Box A) and forward it to BD/FD with the following supporting documents:

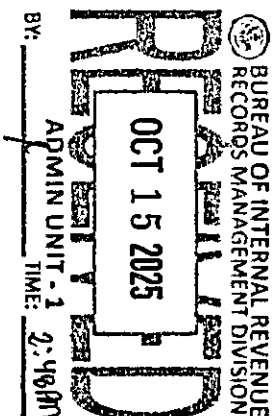
6.5.1 Medical Allowance Payroll (Annex B)

6.5.2 Signed Contract/Agreement

6.5.3 Certification of Satisfactory Completion by Chief, PD/AHRMD

6.6 In order to comply with the required eligibility of six (6) months of service and to provide ample time to facilitate the procurement/avilment of group arrangement, this option shall only be available to those who entered the BIR as of December 31st of the preceding fiscal year. Those who entered on January 1st onwards of the current fiscal year shall be granted their medical allowance after rendering six (6) months through individual arrangement options.

7. For those who are still to complete the six (6) months of government service for the concerned fiscal year and those eligible personnel who opted the individual arrangement but were not able to provide the attachments of the MAAF at the time of submission of AAPs to PD/AHRMD, may still avail the medical allowance



provided that they have completed the length of government service and documentations required.

8. The AAP shall safekeep a copy of documentary requirements submitted by all personnel who availed the Medical Allowance in their respective office.

IX. SUBMISSION OF ANNUAL REPORT

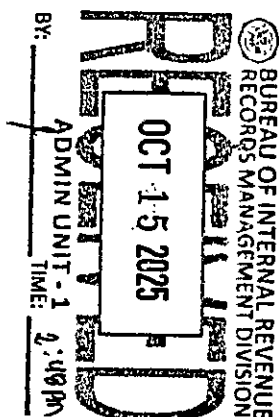
The annual report on the grant of the Medical Allowance using the prescribed template shall be submitted:

PERSONNEL/ OFFICE CONCERNED	FORM	TO	DEADLINE
AAPs in the National Office	Annex D	PD	Every January 10 of the following year
AAPs in the Regional Offices		AHRMD	
AHRMD (consolidation of report from AAPs of Regional Offices)	Annex E	FD	Every January 12 of the following year
PD (consolidation of report from AAPs in the National Office)		BD	Every January 15 of the following year
FD (review Annex E submitted by AHRMD)	-		
BD (review and consolidation of reports from National and Regional Offices)	Annex A (DBM BC 2024-6)	FS	Every January 21 of the following year
FS/BD		DBM	Not later than January 31 of the following year

X. ROLES AND RESPONSIBILITIES

To ensure correct and orderly distribution of the Medical Allowance, the following shall:

1. Commissioner of Internal Revenue/Regional Directors
 - 1.1 Issuance of policies and guidelines relative to the grant of Medical Allowance
 - 1.2 Approve certification of localities/communities identified as GIDA and localities that have no adequate HMO branch or office of a licensed HMO company
2. All Officials and Employees
 - 2.1 Submit required documents for availment of Medical Allowance to AAPs
 - 2.2 Make use of the Medical Allowance judiciously for his/her health and wellness benefits
3. AAPs
 - 3.1 Validate and certify the MAAFs and supporting documents for group and individual arrangement
 - 3.2 Prepare documentary requirements for the availment of Medical Allowance of eligible personnel in their respective offices
 - 3.3 Prepare necessary reports for submission to PD/AHRMD
 - 3.4 Safekeep copies of submitted documentary requirements for ready reference



4. Heads of Offices
 - 4.1 Ensure compliance of their office to this Order
 - 4.2 Approve documentary requirements for the availment of Medical Allowance of eligible personnel in their respective offices
 - 4.3 Sign the "Prepared by" portion of the Medical Allowance Payroll (Annex C)
5. Personnel Division/Administrative and Human Resource Mngt. Division
 - 5.1 Prepare and certify Medical Allowance Payroll (Annex B) and documentary requirements for the payment of HMO product availed by the BIR for group arrangement
 - 5.2 Certify the correctness of Medical Allowance Payroll (Annex C) for individual arrangement
 - 5.3 Prepare and submits necessary report to BD/FD
6. Budget Division/Finance Division
 - 6.1 Facilitate and monitors the allocation/utilization of Medical Allowance
 - 6.2 Certify availability of funds (Box B of ORS)
 - 6.3 Prepare necessary report as required by DBM
7. Accounting Division/Finance Division
 - 7.1 Process the payment to HMO provider and to eligible BIR personnel
 - 7.2 Certify funds availability and propriety of supporting documents (Box C of DV)
8. Finance Service/Assistant Regional Director
 - 8.1 Approve payment of Medical Allowance (Box D of DV)
 - 8.2 Ensure timely submission of reports as required by the DBM

XI. FUND SOURCES

The amount required for the grant of the Medical Allowance shall be charged against the available Personnel Services (PS) allotment of the BIR or may be charged against the Miscellaneous Personnel Benefits Funds and any other available appropriations under the annual GAA, subject to budgeting, accounting, and auditing rules and regulations.

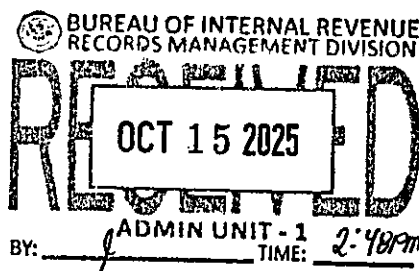
XII. EFFECTIVITY

This Order implements DBM Budget Circular No. 2024-6 effective January 1, 2025. The internal procedures set forth herein shall take effect immediately upon signing.



ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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SUMMARY OF ANNEXES

ANNEX	SUBJECT
A	Medical Allowance Availment Form
B	Medical Allowance Payroll (For Group Arrangement)
C	Medical Allowance Payroll (For Individual Arrangement)
D	Report on the Grant of Medical Allowance (For AAPs)
E	Report on the Grant of Medical Allowance (For PD/AHRMD)

