



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACAÑANG, MANILA



NATIONAL BUDGET CIRCULAR NO. 429-A  
December 29, 1993

This Circular is issued to amend Section 5 of NBC No. 429 dated 30 September 1993, further clarify delineation of responsibilities in the computation and processing of the separation and retirement benefits of devolved personnel and the release of funds for the payment thereof pursuant to Memorandum Order No. 503 and to revise the illustrative example on the computation of the Terminal Leave Pay found under 1.1.B of Annex "A" thereof.

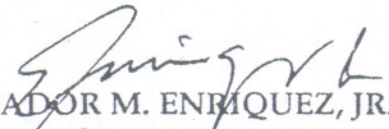
Section 5 of said NBC No. 429 is hereby amended to include the following:

**Section 5. Responsibility**

- 5.4 As a general rule, the payment of retirement and terminal leave benefits of government employees shall be the responsibility of the last employer. However, in the case of devolved personnel, the payment of their benefits shall be proportionately shared by the Local Government Unit (LGU) and the National Government Agency (NGA) concerned.
- 5.5 The LGU, as the last employer, shall be responsible for the computation of the total proportionate shares of the LGU and the NGA in the payment of the benefits of the retiree, based on NBC 429. The LGU shall forward its information on the NGA proportionate share, together with the supporting documents required under National Budget Circular No. 395-A dated October 1, 1988, to the Department of Budget and Management Regional Office (DBM RO) concerned or to DBM Regional Coordination Service (RCS) for the National Capital Region as basis for the release of funds.
- 5.6 The DBM RO shall, after verification of the documents, transmit its recommendation for the release of funds together with the documents to the DBM Central Office (DBM CO) thru RCS.
- 5.7 The DBM (CO) shall release the NGA share of the benefits as augmentation to the Internal Revenue Allotment thru the DBM RO which shall in turn issue the funding checks for the purpose for deposit to the current account in the depository bank of the LGU concerned.

5.8 LGU concerned shall take-up the amount in its book of accounts as income held in trust. As such, the said sum shall be disbursed only for the payment of the NGA share in the retirement benefits of the devolved personnel specified in the DBM (RO) transmittal letter.

Please be guided accordingly.

  
SALVADOR M. ENRIQUEZ, JR.  
*Secretary*

## 1.1.B Terminal Leave Pay

$$P6,588/22 \text{ working days} \times 222 \text{ days} = P66,479$$

$$\begin{array}{r} \text{NGA share} = P6,588 \\ \text{-----} \\ 22 \end{array} \times 200 \text{ days} = 59,891$$

$$\begin{array}{r} \text{LGU share} = P6,588 \\ \text{-----} \\ 22 \end{array} \times 22 \text{ days} = 6,588$$

Total

P66,479

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