



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

**BUDGET CIRCULAR**

No. 2021 - 1  
April 15, 2021

To : All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges; Budget Officers; Heads of Accounting Units; and Other Government Instrumentalities Concerned, Including Government-Owned and/or -Controlled Corporations and Local Government Units (LGUs); and All Others Concerned

Subject : **AMENDMENT TO THE LIST OF DOCUMENTARY REQUIREMENTS FOR THE RELEASE OF FUNDS COVERING THE PAYMENT OF RETIREMENT BENEFITS OF PERSONNEL DEVOLVED TO LOCAL GOVERNMENT UNITS (LGUs)**

- 1.0 This Circular is being issued to amend the Annex A of Budget Circular (BC) No. 2013-1 dated April 12, 2013,<sup>1</sup> as supplemented by BC No. 2013-1A dated May 3, 2013,<sup>2</sup> specifically the checklist of documentary requirements for the release of funds covering the payment of retirement benefits of personnel devolved to LGUs, to wit:

<b>CHECKLIST OF DOCUMENTARY REQUIREMENTS TO SUPPORT REQUESTS FOR RELEASE OF FUNDS FOR TERMINAL LEAVE BENEFITS (DEVOLVED PERSONNEL TO LGUs)</b>	
Documents for Submission to the DBM Regional Office Concerned by the LGU	Documents to be Retained in the LGU Concerned to Support its Evaluation and Disbursement of Funds for the Purpose
a. Endorsement/Letter request from the Local Chief Executive (LCE) for the release of funds (prescribed template per Annex A);	a. Duly Accomplished Retirement Application Form;
b. Certification of Transferred and Earned Leave Credits from the National Government Agency (NGA) to LGU, Utilization and Balances with Computation of Proportionate Sharing (NG and LGU) and the Amount Requested as NG Share in Terminal Leave Benefits (prescribed template per Annex B);	b. Letter of Intent to Retire;
	c. Approved Application Letter for Retirement;
	d. Statement of Leave Credits Earned as Certified by the HRMO;

<sup>1</sup> Guidelines Prescribing the Documentary Requirements and Procedures in Processing/Payment of Retirement Benefits of Government Employees

<sup>2</sup> Clarification on Annex A of BC No. 2013-1 re: Guidelines Prescribing the Documentary Requirements and Procedures in Processing/Payment of Retirement Benefits of Government Employees

<b>CHECKLIST OF DOCUMENTARY REQUIREMENTS TO SUPPORT REQUESTS FOR RELEASE OF FUNDS FOR TERMINAL LEAVE BENEFITS (DEVOLVED PERSONNEL TO LGUs)</b>	
Documents for Submission to the DBM Regional Office Concerned by the LGU	Documents to be Retained in the LGU Concerned to Support its Evaluation and Disbursement of Funds for the Purpose
<p>c. Updated Service Record duly signed by the Human Resource Management Officer (HRMO) and approved by the LCE, with Certification of Inclusive Dates of Leave of Absence without Pay, if there is/are any; and</p> <p>d. Latest Notice of Salary Adjustment (NOSA)/Notice of Step Increments /NOSA for one (1) Salary Grade higher for Department of Health compulsory retiree(s)*.</p> <p>*No longer required if the pertinent information is already provided by Item C.</p>	<p>e. Letter request of devolved personnel concerned for payment of retirement benefits;</p> <p>f. Appointment Paper as devolved employee;</p> <p>g. Approved application for Leave (Civil Service Commission Form No. 6);</p> <p>h. Updated Leave Card of the employee(s) concerned reflecting the transferred leave credits upon devolution and balance as of retirement date (for Terminal Leave Benefit), duly certified by the HRMO of the present LGU employer; and</p> <p>i. For deceased retiree(s)/employee(s) payable to the declared heirs;</p> <p>In addition to the requirements enumerated above:</p> <p>i. Copy of the death certificate of the deceased retiree(s)/employee(s);</p> <p>ii. Marriage Contract; and</p> <p>iii. Judicial or Extra Judicial Settlement of Estate (duly notarized).</p>

2.0 All other provisions of BC No. 2013-1, as supplemented by BC No. 2013-1A, which are not inconsistent herewith shall remain in full force and effect.

3.0 This Circular shall take effect immediately.

**WENDEL E. AVISADO**  
Secretary

# ANNEX A

(LGU Letter Head)

## THE REGIONAL DIRECTOR

Department of Budget and Management

Dear Sir/Madam:

Pursuant to Budget Circular No. 2021-01, the undersigned would like to request for the release of funds for the payment of Terminal Leave Benefits (TLB) of the following devolved personnel to the Local Government Unit:

Name of Retiree	Position at Retirement Date	Unique Position Item Number	Date (MM/DD/YYYY)			Highest Monthly Salary (Per NOSA)	Amount of TLB per LGU Computation (See Annex B for Detailed Computation)	(TO BE FILLED BY DBM) DBM Recommendation
			Birth	Original Appointment	Retirement			
Compulsory Retirees								
1.								
2.								
3.								
Sub-total								
Optional Retirees								
1.								
2.								
3.								
Sub-total								
Grand Total								
<p>I hereby warrant that this list contains the name/s of actual retiree/s to be paid and that their corresponding retirement claims were prepared in accordance with existing budgeting, accounting and auditing rules and regulations.</p> <p>I further attest to the veracity and accuracy of the information herein provided as well as the attached supporting documents and to the completeness of the supporting documents submitted by the retirees to this Office.</p> <p style="text-align: right;"><i>Local Chief Executive</i></p>								<p>Approved by:</p>    <p style="text-align: right;"><i>B/S/O Head</i></p>



LGU NAME: \_\_\_\_\_

**CERTIFICATION OF TRANSFERRED AND EARNED LEAVE CREDITS FROM THE NGA TO LGU, UTILIZATION AND BALANCES WITH COMPUTATION OF PROPORTIONATE SHARING [NATIONAL GOVERNMENT (NG) AND LGU] AND THE AMOUNT REQUESTED AS NG SHARE IN TERMINAL LEAVE BENEFITS**

**TO WHOM IT MAY CONCERN:**

This is to certify that Mr./Ms. Name of Devolved Personnel, Position, with Highest Monthly Salary Received per latest NOSA/NOSI (Pxx,xxx.xx), of this Province/City/Municipality has the following unused/unutilized Balance of Leave Credits Earned from the National Government Agency as of Date of Request/Retirement:

Particulars		Vacation Leave	Sick Leave	Total Leave Credits
A	Leave Credits earned from the National Government Agency as of <u>Date of Devolution</u>			
B	Leave Credits earned from LGU (Date of Devolution to date of Request/Retirement)			
C (A + B)	Total Leave Credits earned			
D	Less: Leave Credits used/utilized in the LGU			
E (C - D)	Total Balance of Leave Credits			
F (Excess of D over B)	Number of Leave Credits used in the LGU to be deducted from NGA Leave Credits			
G (A - F)	Balance of Leave Credits Earned from the National Government Agency as of <u>Date of Request/Retirement</u>			
H	Highest Salary Received			
I	Constant Factor			
J (G x H x I)	<b>NG Share - Total Money Value</b>			
<p>Note</p> <p>1. In the computation for Row F, a resulting positive number means that Leave Credits used in the LGU <b>were</b> in excess of those earned in the LGU. Hence, the same <b>should be deducted</b> from the NGA Leave Credits. Thus, input the said positive number in Row F i.e. 5 in the column for Vacation Leave as shown in the example.</p> <p>2. In the computation for Row F, a resulting negative number means that Leave Credits used in the LGU <b>were not</b> in excess of those earned in the LGU. Hence, <b>no deduction should be made</b> from the NGA Leave Credits. Thus, input 0.000 in Row F, instead of that negative number, in the column for Sick Leave as shown in the example.</p>				

Further, we certify that the balance of leave credits earned from the National Government of Mr./Ms. Name of Devolved Personnel have not been used nor commuted in the LGU and thereby the amount computed as NG Share – Total Money Value is requested to be released for payment of his/her Terminal Leave benefits.

Issued this Date of Request/Retirement, for whatever legal purpose this may serve.

**CERTIFIED CORRECT:**

**APPROVED:**

\_\_\_\_\_  
HRMO  
Date:

\_\_\_\_\_  
LCE  
Date:

## ILLUSTRATION

### CERTIFICATION OF TRANSFERRED AND EARNED LEAVE CREDITS FROM THE NGA TO LGU, UTILIZATION AND BALANCES WITH COMPUTATION OF PROPORTIONATE SHARING [NATIONAL GOVERNMENT (NG) AND LGU] AND THE AMOUNT REQUESTED AS NG SHARE IN TERMINAL LEAVE BENEFITS

#### TO WHOM IT MAY CONCERN:

This is to certify that Mr./Ms. Name of Devolved Personnel, Position, with Highest Monthly Salary Received per latest NOSA/NOSI (P30,000), of this Province/City/Municipality has the following unused/unutilized Balance of Leave Credits Earned from the National Government Agency as of Date of Request/Retirement:

Particulars		Vacation Leave	Sick Leave	Total Leave Credits
A	Leave Credits earned from the National Government Agency as of <u>Date of Devolution</u>	35.000	36.000	71.000
B	Leave Credits earned from LGU (Date of Devolution to date of Request/Retirement)	50.000	30.000	80.000
C (A + B)	Total Leave Credits earned	85.000	66.000	151.000
D	Less: Leave Credits used/utilized in the LGU	55.000	20.000	75.000
E (C - D)	Total Balance of Leave Credits	30.000	46.000	76.000
F (Excess of D over B)	Number of Leave Credits used in the LGU to be deducted from NGA Leave Credits	5.000	0.000	5.000
G (A - F)	Balance of Leave Credits Earned from the National Government Agency as of <u>Date of Request/Retirement</u>	30.000	36.000	66.000
H	Highest Salary Received	P 30,000.00		
I	Constant Factor	0.0481927		
J (G x H x I)	NG Share - Total Money Value	P 95,421.55		
Note				
1. In the computation for Row F, a resulting positive number means that Leave Credits used in the LGU <b>were</b> in excess of those earned in the LGU. Hence, the same <b>should be deducted</b> from the NGA Leave Credits. Thus, input the said positive number in Row F i.e. 5 in the column for Vacation Leave as shown in the example.				
2. In the computation for Row F, a resulting negative number means that Leave Credits used in the LGU <b>were not</b> in excess of those earned in the LGU. Hence, <b>no deduction should be made</b> from the NGA Leave Credits. Thus, input 0.000 in Row F, instead of that negative number, in the column for Sick Leave as shown in the example.				

Further, we certify that the balance of leave credits earned from the National Government of Mr./Ms. Name of Devolved Personnel have not been used nor commuted in the LGU and thereby the amount computed as NG Share – Total Money Value is requested to be released for payment of his/her Terminal Leave benefits.

Issued this Date of Request/Retirement, for whatever legal purpose this may serve.

**CERTIFIED CORRECT:**

**APPROVED:**

\_\_\_\_\_  
HRMO  
Date:

\_\_\_\_\_  
LCE  
Date: