



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

CIRCULAR LETTER

No. 2021 - 4
March 3, 2021

TO : All Heads of Departments, Agencies, Bureaus, and Offices of the National Government, including State Universities and Colleges and Constitutional Offices, and All Others Concerned

SUBJECT : PROCESSING OF REQUESTS FOR THE RELEASE OF FUNDS FOR THE MONETIZATION OF LEAVE CREDITS IN FISCAL YEAR (FY) 2021

- 1.0 This Circular is issued to prescribe the guidelines in the processing of requests for the release of funds for the monetization of leave credits (MLC) in FY 2021.
- 2.0 Guidelines:
 - 2.1 The monetization of leave credits shall be processed by an agency, subject to the provisions of Civil Service Commission (CSC) Memorandum Circular (MC) Nos. 41, s. 1998¹ and 16, s. 2002², and other related prevailing rules and regulations of the CSC and the Department of Budget and Management (DBM).
 - 2.2 Pursuant to Special Provision No. 1(d) of the Pension and Gratuity Fund (PGF) under the 2021 GAA, payment for monetization of leave credits for National Government personnel shall be charged against the PGF.
 - 2.3 Due to the limited appropriations for PGF under the FY 2021 General Appropriations Act (Republic Act No. 11518), (this Special Purpose Fund being lower than the estimated requirements for the year as proposed under the President's Budget), the funds required for the payment of MLC shall instead be charged against any available released Personnel Services (PS) allotment of an agency.
 - 2.4 However, an agency may submit a special budget request to DBM for the release of funds for the monetization of leave credits chargeable against the FY 2021 PGF, for reasons of **critical health, medical, and hospital needs of the employee and the immediate members of his/her family.**

¹ Amendments to Rules I and XVI of the Omnibus Rules Implementing Book V of the Administrative Code of 1987 (Executive Order No. 292), dated December 24, 1998

² Amendment to Section 23, Rule XVI of the Omnibus Rules Implementing Book V of the Administrative Code of 1987, also known as the Omnibus Rules on Leave, dated June 24, 2002

2.5 Requests for MLC for reasons other than those in item 2.4 hereof will only be processed on a case to case basis, subject to extraordinary conditions which would justify release of MLC.

3.0 This Circular shall take effect immediately.


WENDEL E. AVISADO
Secretary