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Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
Lungsod ng Quezon

MC # 6 s. 1982

MEMORANDUM CIRCULAR

T O : THE ASSISTANT ADMINISTRATORS; HEADS OF DEPARTMENT AND STAFFS; REGIONAL IRRIGATION DIRECTORS; PROJECT MANAGERS AND PROVINCIAL IRRIGATION ENGINEERS; IRRIGATION SUPERINTENDENTS AND OFFICERS-IN-CHARGE OF SYSTEMS; CHIEF CORPORATE ACCOUNTANT AND REGIONAL/PROJECT ACCOUNTANT ; CORPORATE AUDITOR AND REGIONAL/PROJECT AUDITORS AND ALL OTHERS CONCERNED

National Irrigation Administration

SUBJECT : Revenue Regulations No. 20-81 Re: Withholding Tax for Compensation Income Under the Gross Income Tax System

For the information, guidance and compliance of all concerned, effective January 1, 1982 Revenue Regulations No. 20-81 pertaining to withholding tax for compensation income under the gross income tax system should be implemented by the NIA.

Attached is a copy of Revenue Regulations No. 20-81 together with the following supporting documents.

1. BIR Form W-4:
  - (a) Employee's Withholding Exemption Certificate
  - (b) Employer's Compensation Payment Certificate
2. Withholding Tax Table:
  - (a) Monthly
  - (b) Semi-Monthly
  - (c) Daily
  - (d) Weekly
3. Guidelines on How to Use the Tables

Particular attention of all concerned is invited to the guidelines covering the (a) Gross Compensation Income Subject to Withholding and the (b) Gross Compensation Income Not Subject to Withholding for the proper implementation of this BIR revenue regulation. For further clarification, address your query to the Controllorship Department.

(SGD.) FIORELLO R. ESTUAR  
Administrator

February 12, 1982

Enclosure:

Copy of Revenue Regulations No. 20-81 with supporting documents

Republic of the Philippines  
Ministry of Finance  
BUREAU OF INTERNAL REVENUE  
Quezon City

December 16, 1981

REVENUE REGULATIONS NO. 20-81

SUBJECT : Withholding Tax for Compensation Income Under the Gross  
Income Tax System.

T O : All Internal Revenue Officers and Others Concerned.

SECTION 1. SCOPE. - Pursuant to Section 326 in relation to Section 91 of the National Internal Revenue Code, as amended, these Regulations are promulgated to prescribe the withholding tax tables and necessary guidelines to implement the provisions of Section 21 of the Tax Code, as amended by Batas Pambansa Blg. 135.

SEC. 2. COMPENSATION INCOME

A. Gross Compensation Income Subject to Withholding.

Income arising from an employer-employee relationship, whether monetary or non-monetary, such as those enumerated below shall be included in the computation of gross compensation income:

1. In General.

- a) Salaries, wages, compensation, emoluments and honoraria;
- b) Bonuses;
- c) Allowances (such as transportation, representation, entertainment and the like);
- d) Fringe benefits, monetary and non-monetary;
- e) Fees, including director's fees paid to a Director who is at the same time an employee of the payor;
- f) Taxable pensions; and
- g) Other income of a similar nature.

2. Guidelines for determining gross compensation income.-

Gross compensation income shall be determined in accordance with the rules and definitions prescribed under Section 2 of Revenue Regulations V-8, as amended, which are quoted hereunder for ready reference.

- "a) The term "wages" means all remuneration for services performed by an employee for his employer unless specifically excepted under Section 90 of Title II of the National Internal Revenue Code.

"The name by which the remuneration for services is designated is immaterial. Thus, salaries, fees, bonuses, commissions on sales or on insurance premiums, pensions, and retired pay are wages within the meaning of the statute if paid as compensation for services performed by the employee for his employer.

"The basis upon which the remuneration is paid is immaterial in determining whether the remuneration constitutes wages. Thus, it may be paid on the basis of piecework, or a percentage of profits; and may be paid hourly, daily, weekly, monthly, or annually.

"Wages may be paid in money or in some medium other than money, as, for example, stocks, bonds, or other forms of property. If services are paid for in a medium other than money, the fair market value of the thing taken in payment is the amount to be included as wages subject to withholding. If the services were rendered at a stipulated price in the absence of evidence to the contrary such price will be presumed to be the fair value of the remuneration received. If a corporation transfers to its employees its own stock as remuneration for services rendered by the employee, the amount of such remuneration is the fair market value of the stock at the time of the transfer. If the person receives as remuneration for services rendered a salary and in addition thereto living quarters or meals, the value to such persons of the quarters and meals so furnished shall be added to the remuneration otherwise paid for the purpose of determining the amount of wages subject to withholding. If, however, living quarters or meals are furnished to an employee for the convenience of the employer, the value thereof need not be included as wages subject to withholding.

"Ordinarily, facilities or privileges (such as entertainment, medical services, or so-called "courtesy" discounts on purchases), furnished or offered by an employer to his employees generally, are not considered as wages subject to withholding if such facilities or privileges are of relatively small value and are offered or furnished by the employer merely as a means of promoting the health, good will, contentment, and efficiency of his employees.

"Where wages are paid in property other than money, the employer should make necessary arrangements to insure that the amount of the tax required to be withheld is available for payment to the Collector COMMISSIONER of Internal Revenue.

"Tins or gratuities paid directly to an employee by a customer of an employer, and not accounted for by the employee to the employer, are not subject to withholding.

"Remuneration for services, unless such remuneration is specifically excepted by the statute, constitutes wages even though at the time paid the relationship of employer and employee no longer exists between the person in whose employ the services were performed and the individual who performed them.

"b) Pensions and [retired] RETIREMENT pay.-

In general, pensions and [retired] retirement pay are wages subject to withholding. So-called pensions awarded by one to whom no services have been rendered are mere gifts or gratuities and do not constitute wages.

"c) Traveling and other expenses. - Amounts paid specifically - either as advances or reimbursements - for traveling or other bona fide ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer are not wages and are not subject to withholding. Traveling and other reimbursed expenses must be identified either by making a separate payment or by specifically indicating the separate amounts where both wages and expenses allowances are combined in a single payment.

"d) Vacation allowances. - Amounts of so-called "vacation allowances" paid to an employee constitute wages. Thus, the salary of an employee on vacation, paid notwithstanding his absence from work, constitutes wages.

"e) Dismissal payments. - Any payment made by an employer to an employee on account of dismissal, that is, involuntary separation from the service of the employer, constitute wages regardless of whether the employer is legally bound by contract, statute, or otherwise to make such payment.

"f) Deductions by employer from wages of employee. - The amount of any tax which is required by law to be deducted by the employer from the wages of an employee is considered to be a part of the employee's wages and is deemed to be paid to the employee as wages at the time the deduction is made. It is immaterial that the National Internal Revenue Code requires such deductions and the payment of the

amounts thereof to the Government.

- "g) Remuneration for services as employee of non-resident alien individual or foreign entity. - The term "wages" includes remuneration for services performed by a citizen or resident of the Philippines, as an employee of a non resident alien individual, foreign partnership or foreign entity engaged in trade or business within the Philippines. Any person, paying wages on behalf of a non-resident alien individual, foreign partnership, or foreign corporation not engaged in trade or business within the Philippines is subject to all provisions of law and regulations applicable with respect to an employer."

B. Gross Compensation Income Not Subject to Withholding. -

The following are some of the income payments not subject to withholding tax on salaries and wages:

1. "Damages. - Actual, moral, exemplary and nominal damages received by the employee or his heirs pursuant to a final judgment or compromise agreement arising out of or related to an employer-employee relationship;

2. "Life Insurance: - The proceeds of life insurance policies paid to the heirs or beneficiaries upon the death of the insured, whether in a single sum or otherwise, but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income;

3. "Amount received by insured as a return or premium. - The amount received by the insured, as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract;

4. "Compensation for injuries or sickness. - Amounts received, through Accident or Health Insurance or under Workmen's Compensation Acts, as compensation for personal injuries or sickness, plus the amount of any damages received whether by suit or agreement on account of such injuries or sickness;

5. "Income exempt under treaty. - Income of any kind to the extent required by any treaty obligation binding upon the Government of the Philippines;

6. "Retirement benefits, pensions, gratuities, etc. -

- a) "Retirement benefits received by officials and employees of private firms, whether individual or corporate, in accordance with a reasonable private benefit plan maintained by the employer: Provided, That the retiring official or employee has been in the service of the same employer for at least ten (10)

years and is not less than fifty years of age at the time of his retirement: Provided, further, That the benefits granted under this subparagraph shall be availed of by an official or employee only once. For purposes of this subsection, the term "reasonable private benefit plan" means a pension, gratuity, stock bonus or profit-sharing plan maintained by an employer for the benefit of some or all of his officials or employees, wherein contributions are made by such employer for officials and employees, or both, for the purpose of distributing to such officials and employees the earnings and principal of the fund thus accumulated, and wherein it is provided in said plan that at no time shall any part of the corpus or income of the fund be used for, or be diverted to any purpose other than for the exclusive benefit of the said officials and employees;

- b) "Any amount received by an official or employee or by his heirs from the employer as a consequence of separation of such official or employee from the service of the employer due to death, sickness or other physical disability or for any cause beyond the control of the said official or employee;
- c) "The provisions of any existing law to the contrary notwithstanding, social security benefits, retirement gratuities, pensions and other similar benefits received by resident or non-resident citizens of the Philippines or aliens who come to reside permanently in the Philippines from foreign government agencies and other institutions, private or public;
- d) "Payments of benefits due or become due to any person residing in the Philippines under the laws of the United States administered by the United States Veterans Administrations;
- e) "Payments of benefits made under the Social Security Act of 1954, as amended;
- f) "Benefits received from the GSIS and the retirement gratuity received by government officials and employees;

7. "Fees paid to a public official. - Authorized fees paid to public officials such as notaries public, clerks of courts, sheriffs, etc. for services rendered in the performance of their official duties are excepted from the definition of the term "wages" and hence are not subject to withholding. However, salaries paid such officials by the Government, or government agency or instrumentality, are subject to withholding.

8. "Remuneration paid for agricultural labor."

- a) "In general - The term "wages" does not include remuneration for services which constitute agricultural labor and paid entirely in products of the farm where the labor is performed.

"In general, however, the term "agricultural labor" does not include services performed in connection with forestry, lumbering or landscaping;

- b) "Services constituting agricultural labor - Remuneration paid entirely in products of the farm where the labor is performed for services performed on a farm by an employee of any person in connection with any of the following activities is excepted as remuneration for agricultural labor:

- (i) "The cultivation of the soil;
- (ii) "The raising, shearing, feeding, caring for, training, or management of livestock, bees, poultry or wildlife; or
- (iii) "The raising or harvesting of any other agricultural or horticultural commodity.

"The term "farm" as used in this subsection includes stock, dairy, poultry, fruit, and truck farms, plantations, ranches, nurseries, ranges, orchards, and such greenhouses and other similar structures as are used primarily for the raising of agricultural or horticultural commodities.

- c) "The remuneration paid entirely in products of the farm where labor is performed for the following services performed by an employee in the employ of the owner or tenant or other operator of one or more farms is excepted as remuneration for agricultural labor, provided the major part of such services is performed on a farm:

- (i) "Services performed in connection with the operation, management, conservation, improvement, or maintenance of any such farms or its tools or equipment; or
- (ii) "Services performed in salvaging timber, or clearing land of brush and other debris, left by a hurricane or typhoon.

"The services described in (i) may include, for example, services performed by carpenters, painters, mechanics, farm supervisors, irrigation engineers, bookkeepers, and other skilled or semi-skilled workers which contribute in any way to the conduct of the farm or farms, as such, operated by the person employing them, as distinguished from any other enterprise in which such person may be engaged. Since the services described in this paragraph must be performed in the employ of the owner or tenant or other operator of the farm, the exception does not extend to remuneration paid for services performed by employees of a commercial painting concern, for example, which contracts with a farmer to renovate his farm properties.

- d) "Remuneration paid entirely in products of the farm where labor is performed for services performed by an employee in the employ of any person in connection with any of the following operations is excepted as remuneration for agricultural labor without regard to the place where such services are performed:
- (i) "The making of copra, stripping of abaca, etc.;
  - (ii) "The hatching of poultry;
  - (iii) "The raising of fish;
  - (iv) "The operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying or storing water for farming purposes;
  - (v) "The production or harvesting of crude gum from a living tree or the processing of such crude gum into gum spirits of turpentine and gum resin, provided such processing is carried on by the original producer of such crude gum.
- e) "Remuneration paid entirely in products of the farm where labor is performed for services performed by an employee in the employ of a farmer or a farmers' cooperative organization or group in the handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation



to market, of any agricultural or horticultural commodity, produced by such farmer or farmer-members of such organization or group, is excepted as remuneration for agricultural labor. Services performed by employees of such farmer or farmers' organization or group in the handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, of commodities produced by persons other than such farmer or members of such farmers' organization or group are not performed "as an incident to ordinary farming operations."

"All payments made in cash or other forms other than products of the farm where labor is performed, for services constituting agricultural labor as explained above, are not within the exception."

9. "Remuneration for private service in a private home.- Remuneration paid for services of a household nature performed by an employee in or about the private home of the person by whom he is employed is excepted from the term "wages".

"A private home is the fixed place of abode of an individual family.

"If the home is utilized primarily for the purpose of supplying board or lodging to the public as a business enterprise, it ceases to be a private home and the remuneration paid for services performed therein is not excepted.

"In general, services of a household nature in or about a private home include services rendered by cooks, maids, butlers, valets, laundresses, gardeners, chauffeurs of automobiles for family use.

"The remuneration paid for the services above enumerated is not within the exception if performed in or about rooming or lodginghouses, boardinghouses, clubs, hotels, hospitals, or commercial offices or establishments.

"Remuneration paid for the services performed as a private secretary, even though performed in the employer's home, is not within the exception.

10. "Remuneration for casual labor not in the course of employer's trade or business. - The term "casual labor" includes labor which is occasional, incidental or irregular.

"The expression not in the course of the employer's trade or business" includes labor that does not promote or advance the trade or business of the employer.

"Thus, remuneration paid for labor which is occasional, incidental or irregular, and does not promote or advance the employer's trade or business, is excepted."

"Example: A's business is that of operating a sawmill. He employs B, a carpenter, at an hourly wage to repair his home. B works irregularly and spends the greater part of two days in completing the work. Since B's labor is casual and is not in the course of A's trade or business, the remuneration paid for such services is excepted.

"The remuneration paid for casual labor, that is, labor which is occasional, incidental, or irregular, but which is in the course of the employer's trade or business, does not come within the above exception.

"Example (1). - C's business is that of operating a sawmill. He employs D for two hours, at an hourly wage, to remove sawdust from his mill. D's labor is casual since it is occasional, incidental or irregular, but it is in the course of C's trade or business and the remuneration paid for such labor is not excepted.

"Example (2). - E is engaged in the business of operating a department store. He employs additional clerks for short periods. While the services of the clerks may be casual, they are in the course of the employer's trade or business and, therefore, the remuneration paid for such services is not excepted."

SEC. 3. NATURE OF THE WITHHOLDING TAX. - A. Final Withholding Tax. - The taxes withheld from the following employees deriving compensation income from only one employer shall be deemed as a final withholding tax:

1. Single or married individuals but legally separated;
2. Heads of family;
3. Married individuals when not legally separated and only one of the spouses receives compensation income; and
4. Married individuals when not legally separated and both spouses receive compensation income from the same employer. In this case, the employer shall treat the spouses as a single taxable unit by aggregating their joint compensation income in determining the correct withholding tax.

Any under-withholding or over-withholding of taxes not exceeding P3.00 shall no longer be collected or refunded.

B. Creditable Withholding Tax. - Taxes withheld by more than one employer from individuals, whether single, head of family or married, shall not be deemed final but may be applied against the tax due per income tax return required to be filed under Section 45 a(2) of the Tax Code.

SEC. 4. Filing of Return. -

A. Employees whose withholding tax are deemed final under Sec. 3 paragraph A, hereof, shall file the revised W-2 form to be accomplished by both the employer and the employee and shall be filed with the Bureau of Internal Revenue on the due date for the filing of income tax returns for fixed income earners.

B. Employees whose withholding tax are deemed not final shall file the income tax returns required to be filed under Sec. 45(a) 2 of the Tax Code.

SEC. 5. Withholding Tax Exemptions. - Every employee receiving wages shall file with his employer a signed withholding exemption certificate, in triplicate, containing a written declaration that it is made under the penalties of perjury in lieu of any oath otherwise required, on Form W-4, relating to the number of withholding exemptions claimws which in no case shall exceed the number to which he is legally entitled. Every employee shall file the revised exemption certificate not later than January 20, 1982. A new withholding exemption certificate shall be filed within ten (10) days from the time a change in his personal status and number of dependents occur. New employees shall file with their employers the required certificate within five (5) days from the start of employment.

If an employee fails or refuses to file the withholding exemption certificate, the employer shall withhold the taxes prescribed under the schedule for zero exemption of the withholding tax table. The personal exemption to which an employee is entitled depends upon his status as single, married, head of family, and the number of his qualified dependents (i.e., legitimate, recognized natural or adopted children in accordance with Section 23 of the Tax Code, as amended). The amount withheld shall be deemed a final tax if the employee is one of those enumerated under Sec. 3 paragraph A hereof, otherwise, the same shall only be creditable.

Each employee is entitled to the following personal and additional exemptions:

- A. P3,000 for single or married but legally separated;
- B. P4,500 for head of family;
- C. P6,000 for married but not legally separated;
- D. P2,000 for each qualified dependent child but limited up to four (4) dependents only; and
- E. P1,000 for each child who otherwise qualified as dependent having been born prior to 1975.

SEC. 6 - Repealing Clause. - Any provision of existing regulations or orders which are inconsistent herewith are hereby repealed or modified accordingly.

SEC. 7. - Effectivity. - These Regulations shall take effect beginning January 1, 1982.

(SGD.) CESAR IRATA  
Minister of Finance

Recommended By:

(SGD.) RUBEN B. ANCHETA  
Acting Commissioner

REPUBLIKA NG PILIPINAS  
MINISTRI NG PANANALAPI  
KAWANIHAN NG RENTAS INTERNAS

EMPLOYEE'S WITHHOLDING EXEMPTION CERTIFICATE

DATE OF FILING		CONTROL NUMBER (Leave blank)	
EMPLOYEE'S TAN	SURNAME	FIRST NAME	MIDDLE NAME
EXEMPTION UNITS (Leave blank)	ADDRESS (Do not use Post Office Box No.)		CODE
SPOUSE'S TAN	SURNAME	FIRST NAME	MIDDLE NAME

CHECK APPROPRIATE BOXES

<input type="checkbox"/> 1 SINGLE	<input type="checkbox"/> 1 WORKING SPOUSE	<input type="checkbox"/> A ENTITLED TO EXEMPTION UNITS
<input type="checkbox"/> 2 MARRIED	<input type="checkbox"/> 2 NON-WORKING SPOUSE	<input type="checkbox"/> B NOT ENTITLED TO EXEMPTION UNITS
<input type="checkbox"/> 3 HEAD OF FAMILY		In case of multiple employment, check box A if this exemption certificate is to be filed with your main employer. Check box B if this certificate is to be filed with your other employers.
<input type="checkbox"/> 4 LEGALLY SEPARATED		In case of employed husband and wife, only the husband may claim the exemption.

NAMES OF DEPENDENTS	RELATIONSHIP	CODE	DATES OF BIRTH

I HEREBY DECLARE UNDER THE PENALTIES OF PERJURY THAT THE EXEMPTIONS AND OTHER INFORMATION HAVE BEEN GIVEN IN GOOD FAITH, VERIFIED BY ME AND TO THE BEST OF MY KNOWLEDGE ARE TRUE AND CORRECT.

DATE

SIGNATURE

EMPLOYER'S COMPENSATION PAYMENT CERTIFICATE

EMPLOYER'S TAN	EMPLOYER'S NAME	DATE OF INCORPORATION (For Corporate employer)
ADDRESS (DO NOT USE POST OFFICE BOX NO.)		EMPLOYER'S WAID NO.

PAYROLL PERIOD ☐ 1 MONTHLY ☐ 2 SEMI-MONTHLY ☐ 3 WEEKLY ☐ 4 DAILY

BASIC RATE	ALLOWANCES	BENEFITS	TOTAL COMPENSATION
	REPRESENTATION	BONUS	
	TRANSPORTATION	COMMISSION	
	COST OF LIVING	PROFIT-SHARING	
	HOUSING	NON-MONETARY	
	OTHERS	OTHERS	

I CERTIFY THAT THE INFORMATION INDICATED HEREON IS TRUE. HOWEVER, THE EMPLOYEE'S TOTAL COMPENSATION INCOME FOR THE YEAR MAY INCREASE ON ACCOUNT OF ADDITIONAL PAY SUCH AS BONUS, OVERTIME, COMMISSION OR OTHER SUPPLEMENTARY WAGES, OR DECREASE BY REASON OF TERMINATION OF EMPLOYMENT DURING THE YEAR, LEAVE WITHOUT PAY OR OTHER CAUSES.

DATE

AUTHORIZED OFFICER  
(SIGNATURE OVER PRINTED NAME AND POSITION TITLE)

STAMP OF RECEIVING RDO

REMARKS (For use of RDO)

DATE

SIGNATURE OVER PRINTED NAME

## GUIDELINES AND INSTRUCTIONS

### IN GENERAL

1. Form W-4 shall be accomplished by both the employer and the employee in quadruplicate to be distributed as follows:

Original and triplicate	—	to be filed with BIR by the employer;
Duplicate	—	employer's copy;
Quadruplicate	—	employee's copy.

2. The Employee's Withholding Certificate shall be filled up by the employee while the Employer's Compensation Payment Certificate shall be accomplished by the employer.
3. Every employee shall submit the withholding exemption certificate to his employer not later than January 20, 1982.

### SPECIFIC INSTRUCTIONS

#### Employee's Exemption Certificate

1. A new employee shall file this certificate with his employer within five days from the start of employment.
2. He shall fill up every applicable space with accurate information and check appropriate boxes.
3. If married, he shall indicate the name and taxpayer account number (TAN) of his/her spouse.
4. The employee's status shall be indicated as follows:

Single	—	an unmarried individual.
Head of Family	—	an unmarried individual with at least one parent (father or mother), or one brother or sister, or one illegitimate, recognized, natural or legally adopted child living with and dependent upon him for care, support, and where such brother, sister or child is not more than 21 years old, unmarried and not gainfully employed.
Married	—	an individual who has legally contracted marriage.
Legally Separated	—	a married person who is separated from his/her spouse under court order, with or without qualified dependent.

5. If an employee has more than one employer, he shall file an exemption certificate with all of his employers. However, he can only claim exemptions with his main employer and he may not claim exemptions from his other employers.
6. A new withholding exemption certificate shall be filed within ten (10) days from the time a change in the employee's personal status occurs.

### EMPLOYER'S COMPENSATION PAYMENT CERTIFICATE

1. The employer shall itemize all forms of compensation paid to his employee. The amounts shall be stated in terms of their payroll period.
2. The employer shall accomplish the Employer's Compensation Payment Certificate immediately upon receipt of the same from the employee, and forthwith file the original and triplicate copies of the duly accomplished form with the Revenue District Office where the employer's office is located.

# WITHHOLDING TAX TABLE

## MONTHLY

Status	Exemptions (000P)	1	2	3	4	5	6	7	8	9	10	
		P0.00 + 0% Over	P0.00 + 1% Over	P2.08 + 3% Over	P14.58 + 7% Over	P72.92 + 11% Over	P256.25 + 15% Over	P506.25 + 19% Over	P1139.58 + 24% Over	P4139.58 + 29% Over	P10181.25 + 35% Over	
Zero	0	P 0	P 208	P 416	P 833	P 1666	P 3333	P 5000	P 8333	P 20833	P 41666	1
S	3.0	0	458	666	1083	1916	3583	5250	8583	21083	41916	2
HF	4.5	0	583	791	1208	2041	3708	5375	8708	21208	42041	3
M	6.0	0	708	916	1333	2166	3833	5500	8833	21333	42166	4
HF/1	6.5	0	750	958	1375	2208	3875	5541	8875	21375	42208	5
HF/1	8.0	0	875	1083	1500	2333	4000	5666	9000	21500	42333	6
HF/2	8.5	0	917	1125	1541	2375	4041	5708	9041	21541	42375	7
M/2	10.0	0	1042	1250	1666	2500	4166	5833	9166	21666	42500	8
HF/3	10.5	0	1083	1291	1708	2541	4208	5875	9208	21708	42541	9
M/3	12.0	0	1208	1416	1833	2666	4333	6000	9333	21833	42666	10
HF/4	12.5	0	1250	1458	1875	2708	4375	6041	9375	21875	42708	11
HF/5	13.5	0	1333	1541	1958	2791	4458	6125	9458	21958	42791	12
M/4	14.0	0	1375	1583	2000	2833	4500	6166	9500	22000	42833	13
HF/6	14.5	0	1417	1625	2041	2875	4541	6208	9541	22041	42875	14
M/5	15.0	0	1458	1666	2083	2916	4583	6250	9583	22083	42916	15
HF/7	15.5	0	1500	1708	2125	2958	4625	6291	9625	22125	42958	16
M/6	16.0	0	1542	1750	2166	3000	4666	6333	9666	22166	43000	17
M/7	17.0	0	1625	1833	2250	3083	4750	6416	9750	22250	43083	18

Legend: S - Single  
HF - Single but head of family

M - Married  
1..7 - Number of dependents

# WITHHOLDING TAX TABLE

		SEMI-MONTHLY										
		1	2	3	4	5	6	7	8	9	10	
		P0.00	P0.00	P1.04	P7.29	P36.46	P128.13	P253.13	P569.79	P2069.79	P5090.63	
Exemptions	Status (000P)	+ 0%	+ 1%	+ 3%	+ 7%	+ 11%	+ 15%	+ 19%	+ 24%	+ 29%	+ 35%	
		Over	Over	Over	Over	Over	Over	Over	Over	Over	Over	
Zero	0.0	P 0	P 104	P 208	P 416	P 833	P 1666	P 2500	P 4166	P 10416	P 20833	1
S	3.0	0	229	333	541	958	1791	2625	4291	10541	20958	2
HF	4.5	0	292	395	604	1020	1854	2697	4354	10604	21020	3
M	6.0	0	354	458	666	1083	1916	2750	4416	10666	21083	4
1/1	6.5	0	375	479	687	1104	1937	2770	4437	10687	21104	5
2/1	8.0	0	438	541	750	1166	2000	2833	4500	10750	21166	6
1/2	8.5	0	458	562	770	1187	2020	2854	4520	10770	21187	7
2/2	10.0	0	521	625	833	1250	2083	2916	4583	10833	21250	8
3/3	10.5	0	542	645	854	1270	2104	2937	4604	10854	21270	9
4/3	12.0	0	604	708	916	1333	2166	3000	4666	10916	21333	10
5/4	12.5	0	625	729	937	1354	2187	3020	4687	10937	21354	11
6/5	13.5	0	667	770	979	1395	2229	3062	4729	10979	21395	12
7/4	14.0	0	688	791	1000	1416	2250	3083	4750	11000	21416	13
8/6	14.5	0	708	812	1020	1437	2270	3104	4770	11020	21437	14
9/5	15.0	0	729	833	1041	1458	2291	3125	4791	11041	21458	15
10/7	15.5	0	750	854	1062	1479	2312	3145	4812	11062	21479	16
11/6	16.0	0	771	875	1083	1500	2333	3166	4833	11083	21500	17
12/7	17.0	0	813	916	1125	1541	2375	3208	4875	11125	21541	18

Legend: S - Single  
HF - Single but head of family

M - Married  
1..7 - Number of dependents



# WITHHOLDING TAX TABLE

## DAILY

Exemptions Status	('000P)	1	2	3	4	5	6	7	8	9	10	
		P0.00 + 0% Over	P0.00 + 1% Over	P0.08 + 3% Over	P0.58 + 7% Over	P2.89 + 11% Over	P10.15 + 15% Over	P20.05 + 19% Over	P45.13 + 24% Over	P163.94 + 29% Over	P403.22 + 35% Over	
Zero	0.0	P 0	P 8	P 16	P 33	P 66	P 132	P 198	P 330	P 825	P 1650	1
S	3.0	0	18	26	42	75	141	207	339	834	1660	2
HF	4.5	0	23	31	47	80	146	212	344	839	1665	3
M	6.0	0	28	36	52	85	151	217	349	844	1669	4
HF/1	6.5	0	30	37	54	87	153	219	351	846	1671	5
M/1	8.0	0	35	42	59	92	158	224	356	851	1676	6
HF/2	8.5	0	36	44	61	94	160	226	358	853	1678	7
M/2	10.0	0	41	49	66	99	165	231	363	858	1683	8
HF/3	10.5	0	43	51	67	100	166	232	364	859	1684	9
M/3	12.0	0	48	56	72	105	171	237	369	864	1689	10
HF/4	12.5	0	50	57	74	107	173	239	371	866	1691	11
HF/5	13.5	0	53	61	77	110	176	242	374	869	1694	12
M/4	14.0	0	54	62	79	112	178	244	376	871	1696	13
HF/6	14.5	0	56	64	80	113	179	245	377	872	1698	14
M/5	15.0	0	58	66	82	115	181	247	379	874	1699	15
HF/7	16.5	0	59	67	84	117	183	249	381	876	1701	16
M/6	16.0	0	61	69	85	118	184	250	382	877	1702	17
M/7	17.0	0	64	72	89	122	188	254	386	881	1706	18

S - Single

HF - Single but head of family

M - Married

1..7- Number of dependents

# WITHHOLDING TAX TABLE

## WEEKLY

Exemptions Status (000P)		1	2	3	4	5	6	7	8	9	10	
		P0.00 + 0% Over	P0.00 + 1% Over	P0.48 + 3% Over	P3.37 + 7% Over	P16.83 + 11% Over	P59.13 + 15% Over	P116.83 + 19% Over	P262.98 + 24% Over	P955.29 + 29% Over	P2349.52 + 35% Over	
Zero	0.0	P 0	P 48	P 96	P 192	P 384	P 769	P 1153	P 1923	P 4807	P 9615	1
S	3.0	0	106	153	250	442	826	1211	1980	4865	9673	2
HF	4.5	0	135	182	278	471	855	1240	2009	4894	9701	3
M	6.0	0	163	211	307	500	884	1269	2038	4923	9730	4
HF/1	6.5	0	173	221	317	509	894	1278	2048	4932	9740	5
M/1	8.0	0	202	250	346	538	923	1307	2076	4961	9769	6
HF/2	8.5	0	212	259	355	548	932	1317	2086	4971	9778	7
M/2	10.0	0	240	288	384	576	961	1346	2115	5000	9807	8
HF/3	10.5	0	250	298	394	586	971	1355	2125	5009	9817	9
M/3	12.0	0	279	326	423	615	1000	1384	2153	5038	9846	10
HF/4	12.5	0	288	336	432	625	1009	1394	2163	5048	9855	11
HF/5	13.5	0	308	355	451	644	1028	1413	2182	5067	9875	12
M/4	14.0	0	317	365	461	653	1038	1423	2192	5076	9884	13
HF/6	14.5	0	327	375	471	663	1048	1432	2201	5086	9894	14
M/5	15.0	0	337	384	480	673	1057	1442	2211	5096	9903	15
HF/7	15.5	0	346	394	490	682	1067	1451	2221	5105	9913	16
M/6	16.0	0	356	403	500	692	1076	1461	2230	5115	9923	17
M/7	17.0	0	375	423	519	711	1096	1480	2250	5134	9942	18

Legend: S - Single  
HF - Single but head of family

M - Married  
1..7 - Number of dependents

## HOW TO USE THE TABLES

### A. Legend of status and amount of exemption

1. Zero (0.0) - exemption for working wife with employed husband, employee with multiple employers which refers to second, third, etc. employers, and employee who fails to file an exemption certificate.
2. S (3.0) - for single or married but legally separated individuals.
3. H/F (4.5) - single with qualified dependent parent, sister or brother, legitimate, recognized natural, or legally adopted child.
4. H/F1 (6.5), H/F2 (8.5), H/F3 (10.5), H/F4 (12.5), H/F5 (13.5), H/F6 (14.5), H/F7 (15.5) - The numerals affixed to the status symbol HF represent the number of qualified legitimate, recognized natural or adopted children.
5. M (6.0) - married and not legally separated.
6. M1 (8.0), M2 (10.0), M3 (12.0), M4 (14.0), M5 (15.0), M6 (16.0), & M7 (17.0) - The numerals affixed to the status symbol M represent the number of qualified legitimate, recognized natural adopted children.

### B. Computation of Withholding Tax

1. Use the appropriate table for the payroll period - monthly, semi-monthly, weekly, or daily, as the case may be.
2. Ascertain the status and total exemptions of the employee to determine the line to be used.
3. Determine the total monetary and non-monetary (Cash Value) compensation paid to the employee.

4. Use the tax rate indicated in the column wherein the employer's total compensation exceeds the compensation level shown in the said column but should not be over the compensation level of the next column to the right of the table.
5. Regular wage or compensation includes basic salary, fixed allowances for representation, transportation, housing, cost of living and all other forms of benefits (monetary and non-monetary) paid to an employee per payroll period.
- Supplementary wages are those paid to an employee in addition to the regular wage such as commission, overtime pay, retired pay, profit-sharing, bonus, 13th month pay, vacation and sick leave pay, etc., with or without regard to a payroll period.
6. Compute the amount of withholding tax (see examples).  
Example 1.

An employee who is married with 3 qualified dependent children entitled to total personal and additional exemptions of ₱12,000.00, receives a total of regular monthly compensation of ₱1,500.00.

Computation:

Using the monthly withholding tax table, the monthly withholding tax is computed by referring to line 10 of column 3, which shows a tax of ₱2.08 on ₱1,416 plus three percent of the excess (₱1,500 - ₱1,416 = ₱84)

Total compensation	₱1,500.00
Compensation level (line 10, col. 3)	<u>1,416.00</u>
Excess	<u>₱ 84.00</u>
Tax on ₱1,416	2.08
Tax on excess (₱84 x 3%)	<u>2.52</u>
Monthly withholding tax	<u>₱ 4.60</u>

Example 2.

An employee who is married with two qualified dependents received a total P5,000 as regular salary and commission on the same date, broken down as follows:

Regular monthly salary	P3,000
Commissions	<u>2,000</u>
T o t a l	<u>P5,000</u>

Computation:

1. Using the monthly withholding tax tables, the withholding tax on the monthly regular wage P3,000) is computed by referring to line 8 of column 5, which show a tax of P72.92 on P2,500. plus 11% of the excess.

2. Aggregate the monthly salary (P3,000) and commissions (P2,000) and determine the amount of compensation in excess of P2,500.00 (see No. 1).

Monthly salary	P3,000
Commissions	<u>2,000</u>
Total compensation	<u>P5,000</u>
Less: Compensation level (Col. 5, Line 8)	<u>2,500</u>
Excess	<u>P2,500</u>
3. Tax on P2,500	P 72.92
Tax on excess (P2,500 x 11%)	<u>275.00</u>
Withholding tax	<u>P 347.92</u>

Example 3.

An employee who is married with two qualified dependents receives P3,000 as his monthly regular salary from which the tax of P127.92 has already been deducted. In addition, he was paid P2,000 as bonus on a date other than the date of payment of the regular salary.

Computation:

Multiply the amount of bonus by the rate of tax given for the amount in excess of the regular compensation (P3,000), which is 11%, as per line B of col. 5.

Tax on bonus (P2,000 x 11%)	P220.00
Tax on salary already deducted	<u>127.92</u>
Total withholding tax	<u>P347.92</u>