CIVIL SERVICE COMMISSION
Republic of the Philippines

BUREAU OF INTERNAL REVENUE
RECEIVED
SEP 04 2020
2:20 PM
RECORDS MGT. DIVISION

RE: Amendment to Section 38 of Omnibus Rules on Leave (Amended by CSC MC No. 41, s. 1998)

Number: 1901392

Promulgation: 18 NOV 2019

x----------x

RESOLUTION

WHEREAS, Section 3, Article IX-B of the 1987 Philippine Constitution provides that the Civil Service Commission (CSC), as the central personnel agency of the Government, shall "*establish a career service and adopt measures to promote morale, efficiency, integrity, responsiveness, progressiveness, and courtesy in the civil service. It shall strengthen the merit and rewards system, integrate all human resource development programs for all levels and ranks, and institutionalize a management climate conducive to public accountability. x x x*"

WHEREAS, Section 12(2), Chapter 3, Title I-A, Book V of Executive Order (EO) No. 292 (Administrative Code of 1987), provides that the CSC is authorized to prescribe, amend and enforce rules and regulations for carrying into effect the provisions of Civil Service Law and other pertinent laws;

WHEREAS, Section 60, Chapter 9, Title 1-A, Book V of EO No. 292 provides that "*officers and employees in the Civil Service shall be entitled to leave of absence, with or without pay, as may be provided by law and the rules and regulations of the Civil Service Commission in the interest of the service.*"

WHEREAS, Republic Act (RA) No. 218[1] provides that employees in government shall be entitled to fifteen (15) days vacation and fifteen (15) days sick leave per year;

WHEREAS, RA No. 611[2], as amended[3] provides that the vacation and sick leave shall be cumulative and employees shall be entitled to the commutation of all accumulated vacation leave and sick leave to their credit;

WHEREAS, the Commission issued the Omnibus Rules on Leave, as amended by CSC Memorandum Circular (MC) No. 41, s. 1998 to implement Book V of EO No. 292, wherein Section 38 thereof provided a prescriptive period of ten (10) years within which to request/claim payment of terminal leave benefits;

Certified True Copy:
ARTHUR P. SALONGA
Chief Human Resource Specialist
Commission Secretariat and Liaison Office
Civil Service Commission

[1] An Act to Amend Section Two Hundred Eighty-Four and Section Two Hundred Eighty-Five-A of the Revised Administrative Code, as amended. June 5, 1948.
[2] An Act Further Amending Section Two Hundred And Eighty-Six of the Revised Administrative Code, as amended, May 5, 1951
[3] R.A. No. 1081 (An act further amending Sec. Two Hundred Eighty Six of the Administrative Code, by providing that the total leave that can accumulate to the credit of a government officer or employee shall not exceed ten months) dated June 15, 1954; RA No. 2625 (An Act to Amend Sections Two Hundred Eighty-Four and Two Hundred Eighty-Five-A of the Administrative Code, as amended, so as to exclude Saturdays, Sundays and Holidays in the Computation of Vacation and Sick Leave) dated June 17, 1960; and Executive Order No. 1077 (Revising the Commutation of creditable vacation and Sick Leave of Government Officers Employees) dated January 9, 1986.

Bawat Kawani, Lingkod Bayani

WHEREAS, the Commission in a number of cases[4] interposed no objection to the payment of terminal leave benefits of some employees despite the lapse of ten (10) years. The Commission based its decision on the Supreme Court's ruling stating that government employee's terminal leave benefit is actually the money value of the employees accumulated leave credits; an accumulation of which is intended for old age or separation from service[5]; and that it is a mere bounty given by the government in consideration or in recognition of meritorious services and springs from the appreciation and graciousness of the government[6];

WHEREAS, the Commission is inclined to amend Section 38 of the Omnibus Rules on Leave, as amended by CSC MC No. 41, s. 1998 to be consistent with the provisions of the law, rules and regulations allowing the commutation of accumulated leave credits of government employees and to provide equitable construction to accomplish a greater purpose;

WHEREFORE, the Commission **RESOLVES** to amend Section 38 of the Omnibus Rules on Leave, as amended by CSC MC No. 41, s. 1998, to read as follows:

> ***"Section 38. Period within which to claim terminal leave pay. – Request for payment of terminal leave benefits may be brought any time after the official/employee severed his/her connection with his/her employer."***

The Commission **RESOLVES FURTHER** that the amended provisions of Section 38 of the Omnibus Rules on Leave shall be applied prospectively.

This Resolution shall take effect after fifteen (15) days from the date of its publication in a newspaper of general circulation or the Official Gazette.

Quezon City.

ALICIA dela ROSA-BALA
Chairperson

LEOPOLDO ROBERTO W. VALDEROSA, JR.
Commissioner

AILEEN LOURDES A. LIZADA
Commissioner

Attested By:

DOLORES B. BONIFACIO
Director IV
Commission Secretariat and Liaison Office

Certified True Copy:
ARTHUR P. SALONGA
Chief Human Resource Specialist
Commission Secretariat and Liaison Office
CSC-[illegible]

HRPSO\APCCD\RBE/JLT/MGC/bam

[4] Caronongan, Arthel B., CSC Resolution No. 1100147, January 31, 2011; Nazareno, Benedicto C., CSC Resolution No. 1500313, March 16, 2015; Barrett, Lydia B., CSC Resolution No. 1701502, November 16, 2017; and Enriquez-Roa, Josephine CSC Resolution No. 1801415, December 4, 2018.
[5] Peralta v. Auditor General, 100 Phil 1051 (1957).
[6] Privano v. De La Rama Steamship Co., 96 Phil. 335, 357 (1954).

BUREAU OF INTERNAL REVENUE
RECEIVED
SEP 24 2020
2:20 pm
RECORDS MGT. DIVISION