



DILGinsider

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Bigger money value for leave credits

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Are you thinking of cashing in on your accumulated vacation and sick leave credits? Or are you due to retire this year and contemplating on how much your terminal leave benefits will be?

Employees who are ready to claim their terminal leave benefit and those who want to avail of leave monetization will be happier with the bigger take home amount.

Here is good news for you: Your leave credits will give you bigger amount of cash!

The Civil Service Commission recently issued Memorandum Circular No. 2 which increased the constant factor for computing the terminal leave benefits and leave monetization, taking into consideration the increasing number of legal holidays in the country. The constant factor was changed to .0481927 from .0478087.

In the past, there were only 10 legal holidays included in the computation of the constant factor. With the enactment of Republic Act 9849, Eidul Adha and Eidul Fitr have recently been included among the regular holidays being observed in the country.

Hence, the constant factor to be used in the formula for computing the terminal leave benefits and monetization of leave credits is now as follows:

- 365 = Days in a year
- 104 = Saturdays and Sundays in a year
- 12 = Legal holidays in a year
- 12 = Months in a year

$$\frac{12}{365 - (104 + 12)} = \frac{12}{249} = .0481927$$

Under existing rules, the terminal leave benefit shall be computed as follows:

$$TLB = S \times D \times CF$$

Where:

- TLB = Terminal Leave Benefit
- S = Highest monthly salary received
- D = Number of accumulated vacation and sick leave credits
- CF = Constant factor which is .0481927

Terminal leave benefit pertains to the monetary entitlement of a government employee who retires, resigns, or separates from the service for whatever cause. This benefit is computed based on the accumulated vacation and leave credits throughout his/her period of service which are considered as earned salaries of the employee.

To claim the terminal leave benefit, employees have to file the request within 10 years from the effective date of retirement, resignation, or separation otherwise this benefit can no longer be claimed.

Meanwhile, computation for the monetization of leave credits follows the same formula as above. This benefit pertains to the payment of money value of the accumulated vacation leave credits without actually going on leave of absence. While this privilege is offered to promote the health, goodwill contentment, and efficiency of the employees, accumulated sick leave credits are not included in the monetization of leave credits.

- Ma. Evelyn Castino-Quilas, ICRD-PACS

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