



University of the Philippines
OFFICE OF THE PRESIDENT

8 June 2022

MEMORANDUM NO. PDLCL 22-14

TO : Vice Presidents and Secretary of the University
Chancellors
Director, UP PGH
Heads of System Offices/Units

ATTENTION : Vice Chancellors/Deputy Director for Administration
HRDO Directors/Heads
Accounting Office Directors/Heads
Budget Office Directors/Heads

SUBJECT : **Updated Implementing Guidelines for the Expanded
Service Recognition Pay (eSRP) for the Administrative
Staff, the REPS and the Faculty Administrators**

The Board of Regents (BOR), in its 1363rd meeting on 26 August 2021, approved the proposal to improve equity in benefits for faculty members, administrative staff, faculty administrators, and REPS. Part of the approved proposal is to increase the number of days of the Expanded Service Recognition Pay (eSRP) for the administrative staff and the REPS from 10 days¹ to 15 days.

Given this development and the other revisions made after the approval of the implementing guidelines for the Service Recognition Pay (SRP) grant to the administrative staff and the REPS, attached are the updated guidelines that cover the previous BOR approvals² on this matter. This is to assure uniform implementation systemwide and avoid inconsistencies in implementation.

¹ The grant of 10 days per year cumulative and commutable leave benefit to the admin staff and REPS was approved in principle by the BOR at its 1268th Meeting on 01 April 2011. SRP was approved to promote equity in benefits among UP employees, with the faculty having been granted the Faculty Cumulative Sick Leave Benefit in 2007.

The BOR, at its 1277th Meeting on 26 January 2012, approved the SRP implementing guidelines, granting the benefit to regular full-time employees covered by optional retirement at age 65 and those retiring due to severe illness under PhilHealth rules.

² The BOR approved the Expanded SRP (eSRP) at its 1321st Meeting on 27 October 2016. Enhancements on the benefit include the eligibility of full-time and part-time contractual employees with an employer-employee relationship and whose salaries are paid out of Personnel Services (PS) allocations to UP in the General Appropriations Act (GAA); employees availing of optional retirement at the age of at least 60, provided that they rendered at least 25 years of service to the University and the office/unit has an approved succession plan; employees who die regardless of age and length of service; and employees who retire due to permanent total disability (who are no longer fit to work) under GSIS rules.

At its 1340th Meeting on 03 December 2018, the BOR approved the amendment of removing the 25-year service requirement for employees who are retiring and are no longer fit to work due to severe illness (under PhilHealth rules) or to permanent total disability (under GSIS rules).

**Updated eSRP Implementing Guidelines for the
Administrative Staff, the REPS and the Faculty Administrators
(effective 26 August 2021)**

1. Coverage

These Guidelines shall cover full-time or part-time administrative staff and REPS with an employee-employer relationship with UP (regular, UP contractual, casual, substitute, temporary, co-terminus) :

- a. who is compulsorily retired at age 65; **OR**
- b. who avails of optional or early retirement provided that:
 - i. he/she is at least 60 years old with at least 25 years of service to UP; and whose unit/office has an approved succession plan (*Annex A*); **OR**
 - ii. he/she has been declared to have a permanent total disability (or no longer fit to work) under the rules of the GSIS³ or severe illness under the Philhealth regulations, regardless of age and length of service; **OR**
- c. who has reached 65 years of age but whose service has been extended; **OR**
- d. who died in service, regardless of age and length of service.

2. Computation of eSRP

The computation of the eSRP shall be based on the retiree's salary equivalent to 15 days for every year of service, using the terminal leave computation of the Civil Service Commission. The eSRP of part-time employees shall be the salary equivalent of 7.5 days for every year of service.

For REPS and administrative staff who were re-employed by the University, the total number of years of service shall include only the years of service rendered during their re-employment at the University.

The years of service to be used to compute the eSRP benefit of those who were extended beyond the compulsory retirement age of 65 shall be inclusive of the number of years they were on extended service.

Annex B provides the formula used to compute the eSRP, and *Annex C* provides sample computations.

3. Exclusion

The period by which the employee has been engaged as Contract of Service (COS), Job Order (JO) workers, consultants, project personnel, and other similar positions in which there is no employee-employer relationship.

³ Rule XI "Permanent Total Disability." Amended Rules of Employees Compensation (EC, 2014) covering both SSS and GSIS members and Philhealth or the "Revised Implementing Rules and Regulations" of The National Health Insurance Act of 2013 (RA 7875 as amended by RA 9241 and 10606), including the Philhealth - Department of Health (DOH) 10th Revision of the International Classification of Diseases (ICD-10),

The following are also excluded in the computation of the eSRP:

- i. study leave without pay, pursuant to existing rules;
- ii. vacation leave and/or sick leave without pay; and
- iii. secondment to other government or non-government agencies/institutions.

4. Use of accumulated Expanded Service Recognition Credits

In case of severe illness or prolonged sickness, as determined by the University and based on the recommendation of a University/government physician, eligible employees shall be granted sick leave with pay charged to the eSR credit up to the maximum period allowed in case the total regular leave credits are used up.

In case of separation from the University, the employee shall refund the value of the eSRC in case he did not qualify for the eSRP.

5. Non-monetization rule

The eSRP credits shall not be included in the computation of available leave credits for annual and special monetization of leave credits.

6. eSRP for Faculty Administrators

Faculty members while serving as administrators are entitled to eSRP in lieu of the FCLB during the years that they served as administrators (including extended service beyond 65 years old) *(1363rd BOR Meeting held on 26 August 2021)*.

7. Funding Source

The Constituent Universities (CUs), System Administration, and UP PGH shall provide funding from their respective savings under the Revolving Fund or Reprogrammed Fund and/or any unexpended balances from where the employee draws his/her salary except from the General Fund (based on the provision of the General Appropriation Act⁴) and subject to availability of funds.

8. Application for eSRP

Heads of units shall coordinate with their respective HRDOs to ensure that the required application for eSRP shall be duly approved by the appropriate authority. *Annex D* is the prescribed form that the employee (or authorized representative, immediate family, or nearest kin in case of severe illness, permanent total disability, or death) should submit and file with the CU HRDO to process payment.

⁴ i.e. GAA 2021 General Provisions Section 44

The HRDOs shall prepare the necessary documents for processing the eSRP and ensure the accuracy of data and computation of the benefit.

9. Processing of Payment

Upon receipt of the approved documentary requirements such as eSRP Application Form (Annex D), Service Record, Clearances, and other documentary requirements, the CU/ UPSA/ UP-PGH HRDO shall process the payment of eSRP and prepare the Disbursement Voucher (DV).

10. Due Diligence

The Chancellors and other University officials with authority over the release of the Expanded Service Recognition Pay (eSRP) shall exercise due diligence in implementing these guidelines. Responsible officers shall be held liable for any payment not in accordance with this Memorandum, without prejudice to refund by the employees concerned of any excess or unauthorized payments.

Any queries on the guidelines shall be directed first to the Office of the Chancellors (for CUs)/ Office of the Director (for UP-PGH)/Office of the Vice President for Academic Affairs (for UPSA REPS) for proper endorsement to the UP System through OVPA, if necessary.



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President

Annex A - Succession Plan

A succession plan shall be required to accompany an application for eSRP by an eligible employee applying for optional retirement.

The succession plan shall be prepared and submitted by the head of the unit/office for approval of the Chancellor, Vice President, Secretary of the University, or the President. The succession plan shall include the following details:

- Position Title/Salary Grade
- Office/Unit and name of supervisor
- Duties and responsibilities as stated in the Position Description form (PDF)
- Skills and competence required for the position
- Organizational, functional, and personnel charts
- Coping mechanism/strategy such as :
 - Identify possible employees who can take over the job while the recruitment is in process;
 - Timetable for recruitment

Annex B - Formula used to compute the eSRP

The formula that will be used in computing the value of the eSRP will be as follows:

$$\text{eSRP} = \text{SAL} \times \text{CF} \times 15 \text{ days} \times \text{YRS}$$

where :

SAL – the highest monthly salary at the time of retirement

CF - constant factor of the terminal leave computation (Section 38 MC 41 s. 1998 as amended) as set by CSC and DBM (currently at 0.0481927))

YRS - Number of years of service to UP

Annex C : Sample Computations

No. of years in service - 29.5

SG/Step at the time of retirement - 10-8

Highest (latest) salary per month - PHP 23,522

Case 1 . Full time employee (Highest salary is the same as the latest salary.)

$$\begin{aligned}\text{eSRP} &= 23,522 \times 0.0481927 \times 15 \times 29.5 \\ &= \text{PhP } 501,613.00\end{aligned}$$

Case 2 . Full time employee (Highest salary is different from the latest salary.)

with a previous contractual appointment at SG 15-1 in 2018 with a monthly rate of PhP35,545

$$\begin{aligned}\text{eSRP} &= 35,545 \times 0.0481927 \times 15 \times 29.5 \\ &= \text{PhP } 758,006.71\end{aligned}$$

Case 3. For part-time employees (The highest salary is the same as the latest salary.)

Monthly rate as part-time P23,522 x 50% = PhP11,761

$$\begin{aligned}\text{eSRP} &= 11,761 \times 0.0481927 \times 7.5 \times 29.5 \\ &= \text{PhP } 125,403.24\end{aligned}$$

Annex D - eSRP Application Form

University of the Philippines

UPS HRDO Form No. 003
Series of 2012 rev 2022

Constituent University

APPLICATION FOR ENHANCED SERVICE RECOGNITION PAY/CREDIT			
Name : _____		SG/Step: _____	Unit : _____
Position: _____		Highest Salary/mo.: _____	
PURPOSE (please check one only)			
<input type="checkbox"/> For Enhanced Service Recognition Pay			
<input type="checkbox"/> Compulsory Retirement		<input type="checkbox"/> Optional/Early Retirement (60 years old to just before 65 years old w/ 25 yrs of service and whose unit/office has an approved succession plan	
<input type="checkbox"/> Optional/Early Retirement due to permanent total disability as per GSIS rules severe illness under the rules of Philhealth		<input type="checkbox"/> Death	
<input type="checkbox"/> For Enhanced Service Recognition Credit			
Period Applied for (Inclusive Dates) _____		No. of days _____	
Please specify the prolonged sickness _____			
_____ Date		_____ Signature of applicant	
CERTIFICATION FROM UNIVERSITY HEALTH SERVICE*			
This is to certify that, based on supporting documents submitted, the illness as defined by PHILHEALTH is:			
<input type="checkbox"/> Severe		<input type="checkbox"/> Prolonged Sickness	
		<input type="checkbox"/> Not Severe	
_____ Date		_____ Signature of Physician	
* in the absence of a University Health Service, a certification from a government physician will suffice.			
ENHANCED SERVICE RECOGNITION PAY/CREDIT COMPUTATION			
(to be filled out by HRDO)			
a) Date of Original Appointment _____			
b) Date of Separation/Application (for SRCredit) _____			
c) TOTAL NUMBER OF SERVICE CREDIT (yrs)/(365.25) _____			
d) LESS: Leave WITHOUT PAY (yrs)/(365.25) _____			
Period of leave w/o pay : _____			
e) NET NUMBER OF SERVICE/YRS CREDIT (c-d) _____			
f) x 15 days per year of service _____			
g) LESS: Enhanced Service Recognition Credit taken(days) _____			
h) Available Number of Enhanced Service Recognition Credit (days) ((e)x(f)-(g)) _____			
for enhanced service recognition credit			
i) approved number of days _____			
j) balance after this application (h-i) _____			
for enhanced service recognition pay			
i) x constant factor _____		0.0481927	
j) x highest monthly salary _____			
k) ENHANCED SERVICE RECOGNITION PAY (h) x (i) x (j) _____		P _____	
Computed by:		Certified Correct:	
_____ Date _____		_____ Director/Chief, HRDO _____ Date _____	
Recommending Approval/Disapproval		Approved/Disapproved	
_____ Vice Chancellor for Administration _____ Date _____		_____ Chancellor _____ Date _____	