REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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RECORDS MGT. DIVISION
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Date: December 27, 2016

REVENUE REGULATIONS NO. 10-2016

SUBJECT: Amending Section 10.C. of Revenue Regulations No. 17-2011 Implementing the Early Withdrawal Penalty of Republic Act No. 9505, Otherwise Known as the 'Personal Equity and Retirement Account (PERA) Act of 2008

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. Scope. — Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended, in relation to Section 13 of Republic Act (RA) No. 9505, these Regulations are hereby promulgated to amend Section 10.C. of Revenue Regulations (RR) No. 17-2011, Implementing the Tax Provisions of Republic Act No. 9505, Otherwise Known as the "Personal Equity and Retirement Account (PERA) Act of 2008"

SECTION 2. Amendment. — Section 10.C. of RR No. 17-2011 is hereby amended to read as follows:

"SECTION 10. PERA Distributions and Early Withdrawals. —

xxx xxx xxx

C. Imposition of Penalty. — In case of Early Withdrawals not falling under any of the circumstances under Section 10 (B) above, the Contributor shall pay the following Early Withdrawal Penalties:

(1) The five percent (5%) tax credit availed by the Contributor for the entire period of the PERA;

(2) A flat rate of twenty percent (20%) based on the total income earned by said account from the time of its opening/creation up to the time of withdrawal.

For full transparency, the Administrator shall fully disclose the above penalty arising from withdrawals to the contributor prior to account opening.

Likewise, the Administrator shall submit a quarterly report of such termination or withdrawal to the PERA Processing Office, within sixty (60) days following the end of the quarter of the date of termination or withdrawal."

SECTION 3. Repealing Clause. — The provisions of RR 17-2011 and all other issuances inconsistent herewith are hereby repealed, modified or amended accordingly.

SECTION 4. Effectivity. — These Revenue Regulations shall take effect immediately.

CARLOS G. DOMINGUEZ
Secretary
Department of Finance

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Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

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