



ANSWERS TO FREQUENTLY ASKED QUESTIONS

GUIDE TO STATEMENT OF ASSETS, LIABILITIES AND NETWORTH (SALN) INFORMATION REQUIREMENT

Various concerns and questions that were frequently raised by employees during a series of orientations on the SALN from February 27 to 29, 2008 and March 4 to 5, 2008 are compiled and answered in this document.

**Office for Personnel Management and Development
Civil Service Commission
March 7, 2008**

ANSWERS TO FREQUENTLY ASKED QUESTIONS ON INFORMATION NEEDED IN THE NEW SALN FORM

Questions	Answers
1. Am I allowed to encode my answers to the SALN questions/information requirement by computer?	Yes, you may encode your answers using a computer but, be sure to use capital letters and sign the signature portion in every copy of the form.
2. Do I need to provide information for my spouse with whom I am legally separated?	<p>No, there is no need to provide information on the assets, liabilities, financial connections, business interests and relatives in government of your spouse so long as the decree of legal separation is given finality.</p> <p>However, you are still required to answer all applicable information such as, the portion on Spouse Information and the box for civil status. Please note that your legal status is still married.</p>
3. I have been caring for a child who is less than 18 years old living in my household. Although, the child is not of my own blood, I was given by the DSWD a license as a foster parent. Should I include my child in the declaration?	No. Since foster parenting is intended for a limited period of time, you do not need to declare.
4. I have a mentally incapacitated child who is already 19 years old living in my household. My child is still legally dependent on me. Should I include my child in the declaration?	No, you do not need to declare.
5. My spouse, not a government employee, has an illegitimate child who is 15 years old living in our household. Do I need to declare my spouse's illegitimate child in the SALN?	No. Please note that the SALN form requires that only the <u>declarant's</u> children (below 18 years old living in the household) be declared. Since you are the declarant and the illegitimate child is your spouse's, you do not need to declare the child in your SALN.

Questions	Answers
<p>6. I am a <u>new entrant</u>* in government. How shall I compute the Annual Gross Salary? What is the period for determining my Annual Gross Family Income?</p> <p><small>*Refers to first-entry as government employee (excludes employment under Job Order and Contract of Service)</small></p>	<p>The Annual Gross Salary (AGS) is all cash income you received as of your 1st day in the government service. Meanwhile, the Annual Gross Family Income (AGFI) should reflect the actual amount, i.e., cash and non-cash from all sources, received by you, your spouse and children (who are below 18 years old living in the household). You should compute your AGFI from January 1 of the <u>current calendar year</u>, ending on the 1st day of your government service.</p> <p>Here are some examples:</p> <ul style="list-style-type: none"> • If your 1st day of government service was February 18, 2008, your AGS is zero and the AGFI shall be computed from January 1, 2008 to February 18, 2008. • If your 1st day of government service was January 10, 2008, your AGS is zero and the AGFI shall be computed from January 1, 2008 to January 10, 2008. • If your 1st day of government service was December 10, 2007, we assume that you have already submitted your SALN using the old form as of that date. <p>Now, with the effectivity of the new SALN form, every incumbent employee is required to accomplish a BD form with December 31, 2007 as the declaration date. The BD covers all assets, liabilities, business interests, financial connections and relatives in government for the entire year. Since you are already in the government service as of December 31, 2007, your AGS is all the cash income received from government from the time you entered government service up to the declaration date, that is, December 10 to 31, 2007. On the other hand, the AGFI shall be computed from January 1, 2007 to December 31, 2007.</p>

Questions	Answers
<p>7. I only received P2,000 of the P4,000 uniform allowance since the other half was given in kind. Should I reflect the entire amount as part of the Annual Gross Family Income and Annual Gross Income?</p>	<p>Yes, the amount of P4,000 is reflected in the AGFI. However, only P2,000 will be included in the Annual Gross Salary.</p>
<p>8. I inherited a condominium unit in 2000. In the SALN form, I declared this property under Real Property. For the Baseline Declaration (BD) SALN form, how should I declare it?</p>	<p>For the BD as of December 31, 2007, you should still declare the condominium unit under Real Property with the Acquisition Cost valued at its Fair Market Value (FMV) at the declaration date.</p> <p>You should, likewise, include the FMV in the AGFI (your disposable income) because the value of the property may be used to purchase another asset in the future.</p>
<p>9. When my parents died, they left me and my three siblings with Meralco stocks and two hectares of land. All these are still not in our name. However, they are subject of an Extrajudicial Settlement stating that we are the legal heirs of our parents. Do I declare them in the SALN?</p>	<p>For the land which is a real property, the test for declaring ownership is registration. That being the case, until the property is registered in the declarant's name, this is not to be reported under "B.1. Real Property".</p> <p>However, since this is an asset, you should declare the value of the property at its FMV (having been gratuitously acquired) under "B.2.2. Other Personal Property" as "Others".</p> <p>As to the shares of stock, while they are not in your name, these are considered assets and therefore, you need to declare the value of the property at its FMV (having been gratuitously acquired) as Shares of Stocks under "B.2.1. Investment".</p> <p>Since you are co-owners with your three siblings, your interest in the properties is to the extent of $\frac{1}{4}$.</p>

Questions	Answers
<p>10. I own a residential lot. The title is under my name. Since the lot is under a mortgage, I sold it to my brother who assumed payment of the mortgage payables. We signed a Deed of Sale. Despite my brother assuming payment for the mortgage, the title of the lot has not been transferred to him. Do I declare it?</p>	<p>Yes. Following the rule that registration is the operative act for declaration, the lot must still be declared in your name until such time that title is transferred to your brother.</p>
<p>11. I equally own a residential lot with my two sisters. The title is under our names. No separate titles have been issued. How should I reflect the acquisition cost in the SALN?</p>	<p>The acquisition cost should be the extent of your share in the lot. For example, if the acquisition cost is P300,000, you should indicate P100,000 with a notation that this is your 1/3 share in the lot.</p>
<p>12. I live in the Batasan area where most lots are government-owned. A neighbor sold to me rights over a lot for P20,000. Should the lot be declared? How about the rights over the lot?</p>	<p>Following the rule in item number 9, until the lot is registered in your name, this is not to be reported under "B.1. Real Property".</p> <p>As to the second question, since the right over the lot is an asset (i.e., it has value and can be re-sold), you should declare its value at P20,000 under "B.2.2. Other Personal Property" as "Others".</p>
<p>13. What is the mode of acquisition of a residential lot which is part of my dowry?</p>	<p>The mode of acquisition of a residential lot through dowry is <u>gratuitous</u>. Hence, you reflect the Fair Market Value (FMV) of the lot at the declaration date.</p>
<p>14. As of December 31, 2007, I still have my old Chevrolet car that I bought in 1990 at P250,000. Since it is already dilapidated, I have not used it for many years. How should I declare the acquisition cost?</p>	<p>You still have to declare the acquisition cost at P250,000. In the Annual Declaration form to be filed the following year, the corresponding depreciated value should be made (e.g. P250,000 divided by the economic useful year/month of the asset equals depreciation per year/month. If economic useful life of a car is assumed to be 20 years, then the depreciation would be P12,500 per year. So, the depreciated value at 2008 is P25,000).</p>

Questions	Answers
<p>15. Should I reflect the following under investment:</p> <ul style="list-style-type: none"> - GSIS premiums paid - Total equity in the Welfare Fund - Leave credits 	<p>No. All mandatory contributions applicable to all government employees such as GSIS, Philhealth, PAG-IBIG (HDMF) contributions should no longer be declared</p> <p>Yes, to the extent of your total equity since this information is available to you</p> <p>No. They are declarable if you have already monetized the credits.</p>
<p>16. I took out an educational plan for my son for his four years of high school education and fully paid P200,000 in 2000 for the face amount of P450,000. By end of 2007, the pre-need company has already spent P125,000 for two years of my son's high school education. How do I reflect my pre-need investment in the SALN?</p>	<p>As a general rule, the SALN form requires total premiums paid to be declared under private insurance, educational plan and other pre-need investment. However, when you have been benefited by your investment, you should reflect its remaining value as of the time of the declaration.</p> <p>In your case, since you have been benefited to the extent of P125,000 as of the declaration date, you should declare P75,000 under "Educational Plan" in "B.2.1 Investment Item". In the succeeding declaration using the Annual Declaration form, you should reduce the investment amount to the extent of the benefit received. If the benefit already exceeded the investment, that amount equivalent to your gain should be reflected in your AGFI.</p>
<p>17. I took out an education plan from the College Assurance Plan. I have not been benefited from my investment nor received the cash equivalent of the premiums I have paid since CAP encountered liquidity problems a few years ago. Do I need to declare the total premiums paid in the investment portion of the SALN?</p>	<p>It is important to determine the actual status of CAP as an organization because that will determine whether the premiums paid will be treated as an investment, receivable or a loss. However, in the absence of a firm and clear information on CAP's status, you should report all premiums paid in educational plan under investment.</p>

Questions	Answers
18. Is my membership to Club Panoly an investment and as such, to be declared in the SALN?	Yes. It is an asset because it is valuable and re-sellable at a future time. You should declare it under "Other Personal Properties", under Others.
19. My sister works at the Department of Agriculture under a contract of service. Should I disclose her in the SALN under "D. Declarant's Relatives in the Government"?	No. Employees under a contract of service and job order do not have employee-employer relationship with the government. Technically, they are not government employees.