



MC No. 8, s.2003

**MEMORANDUM CIRCULAR**

**TO :** ALL HEADS OF CONSTITUTIONAL COMMISSIONS, DEPARTMENTS, BUREAUS, AND AGENCIES OF THE NATIONAL GOVERNMENT, LOCAL GOVERNMENT UNITS, INCLUDING GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS WITH ORIGINAL CHARTERS, AND STATE UNIVERSITIES AND COLLEGES.

**SUBJECT :** Amendment to Section 24 of CSC MC No. 41, s. 1998 on Computation of Leave Monetization and Reiteration of Policy on Maternity Leave

The Civil Service Commission, in line with its thrust to continuously update its policies on leave to make them more relevant and responsive to recent developments, issued CSC Resolution No. 030949 dated Sept. 4, 2003. Said Resolution amended Section 24 of CSC MC No. 41, s.1998, on computation of Leave Monetization, adopting the formula in Section 40 of CSC MC No. 14, s. 1999, computation of Terminal Leave.

The computation of leave monetization, except for members of the Constitutional Commissions who are covered by special law, shall be as follows:

**"Section 24. Computation of Leave Monetization.**

Either of the following formula shall be used for the computation of Monetization of Leave Credits:

$$\begin{array}{l} \text{Monthly salary} \times \text{No. of days} \times \text{C F (.0478087)*} = \text{money value of} \\ \text{to be} \\ \text{monetized} \qquad \qquad \qquad \qquad \qquad \qquad \text{the monetized} \\ \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qquad \text{leave} \end{array}$$

**OR**

$$\begin{array}{l} \text{Monthly salary} \qquad \qquad \qquad \text{No. of days} \qquad \qquad \qquad \text{money value of} \\ \text{-----} \qquad \qquad \qquad \times \qquad \qquad \text{to be} \qquad \qquad \qquad = \qquad \text{the monetized} \\ 20.916667 \text{ **} \qquad \qquad \qquad \text{monetized} \qquad \qquad \qquad \text{leave"} \end{array}$$

\*Constant Factor based on Section 40 of CSC MC No. 14, s., 1999  
 \*\*Equivalent number of days in a month for computation of MLC based on the total number of working days per year (251) [Section 40 of CSC MC No. 14, s., 1999] divided by the number of months in a year (12).

Also, the Commission further reiterates its policy on Maternity Leave as follows:

Salaries for the actual services rendered within the unexpired portion of the maternity leave shall be computed based on the daily wage rate. Pursuant to R.A. 6758 (*Salary Standardization Law*), the daily wage rate shall be determined by dividing the monthly salary by 22 working days in a month.

Hence, all CSC issuances inconsistent with this Circular are hereby repealed or amended.

This Memorandum Circular shall take effect immediately.



KARINA CONSTANTINO-DAVID  
Chairman

September 4, 2003



Republic of the Philippines  
**Civil Service Commission**  
 Constitution Hills, Batasang Pambansa Complex, Diliman 1126 Quezon City

100 Years of Service;  
 Civil Service at Its Best,  
*Mamamayan Muna*

**Amendment of Section 24 of CSC MC No. 41,  
 s. 1998, Computation of Leave Monetization  
 and Reiteration of Policy on Maternity Leave**  
 x ----- x

**RESOLUTION NO. 030949**

**WHEREAS**, the Civil Service Commission, as the central personnel agency of the government, is empowered by the Constitution to prescribe, amend and enforce rules and regulations for carrying into effect the provisions of the civil service law and pertinent laws;

**WHEREAS**, Sections 24 and 40 of CSC MC No. 41, s.1998, dated December 24, 1998, provided the formula for the computation of leave monetization and terminal leave respectively, as follows:

**“Section 24, Computation of Leave Monetization.** The formula to be used for the computation of monetization is as follows:

$$\frac{\text{Monthly Salary}}{22 \text{ working days}} \times \text{No. of days to be monetized} = \text{Money value of the monetized leave”}$$

**“Section 40, Computation of Terminal Leave.** The terminal leave benefits shall be computed as follows:

$$\text{TLB} = \frac{D \times (S)}{22}$$

Where:

- TLB = Terminal Leave Benefits
- S = Highest monthly salary received
- D = No. of accumulated vacation and sick leave credits
- 22 = Number of working days in a month pursuant to RA 6758”

**WHEREAS**, CSC MC No. 14, s. 1999 dated August 23, 1999, amended some of the provisions of CSC MC 41, s. 1998 and prescribed a new formula for the computation of the terminal leave only, leaving out the Leave Monetization, which stated as follows:

**“Section 40, Computation of Terminal Leave.** The terminal leave benefits shall be computed as follows:

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

Where:

TLB	=	Terminal Leave Benefits
S	=	Highest monthly salary received
D	=	No. of accumulated vacation and sick Leave credits
CF	=	Constant Factor is .0478087

The Constant Factor (CF) was derived from this formula:

$$\frac{\text{Number of months in a year}}{\text{No. of days in a year less the sum of Saturdays, Sundays and Legal Holidays (Provided under EO 292) in a year.}}$$

$$\frac{12}{365-(104+10)} = \frac{12}{251} = .0478087"$$

**WHEREAS**, based on the above formula, the equivalent number of days in a month for computation of TLB is 20.916667;

**WHEREAS**, while the amendment has changed the equivalent number of days in a month from 22 to 20.91667 working days in the computation of TLB, the 22 working days remain the basis in the computation of leave monetization;

**WHEREAS**, the Department of Budget and Management (DBM) in its Circular No. 2002 – 1, dated January 14, 2002, explicitly stipulates that the Computation of the Terminal Leave Benefits and the Monetization of Leave Credits shall be in accordance with Section 40 of CSC MC No. 14, s.1999 (computation of Terminal Leave);



**WHEREAS**, the discrepancy between CSC MC No. 41, s. 1998 and DBM Circular No. 2002 – 1 relative to the formula used in the computation of leave monetization creates confusion and has been the subject of numerous queries and differing opinions;

**WHEREAS**, to obviate further confusions and discussions, there is a need to reconcile the two issuances by amending Section 24 of CSC MC No. 41, s. of 1998, and adopting the formula in Section 40 of CSC MC No. 14, s. 1999;

**NOW THEREFORE**, foregoing premises considered, and for uniformity and consistency, the Commission **RESOLVED**, as it hereby resolves to amend Section 24 of CSC MC No. 41, s. 1998 (Computation of Leave Monetization). The computation of leave monetization, except for members of the Constitutional Commissions who are covered by special law, shall be as follows:

**"Section 24. Computation of Leave Monetization.** Either of the following formula shall be used for the computation of monetization of leave credits:

$$\begin{array}{l} \text{Money Value} \\ \text{of Monetized} \\ \text{Leave} \end{array} = \begin{array}{l} \text{Monthly} \\ \text{Salary} \end{array} \times \begin{array}{l} \text{No. of days} \\ \text{to be} \\ \text{Monetized} \end{array} \times \begin{array}{l} \text{Constant Factor} \\ (.0478087) \end{array}$$

**OR**

$$\begin{array}{l} \text{Money Value} \\ \text{of Monetized} \\ \text{Leave} \end{array} = \frac{\text{Monthly salary}}{20.916667 * } \times \begin{array}{l} \text{No. of days} \\ \text{to be} \\ \text{monetized} \end{array}$$

\*Equivalent number of days in a month for computation of money value of monetized leave based on the total number of working days per year (251) [Section 40 of CSC MC No. 14, s., 1999] divided by the number of months in a year (12).

The Commission further reiterates its policy on Maternity Leave, as follows:

Salaries for the actual services rendered within the unexpired portion of the maternity leave shall be computed based on the daily wage rate. Pursuant to R.A. 6758 (*Salary Standardization Law*), the daily wage rate shall be determined by dividing the monthly salary by 22 working days in a month.

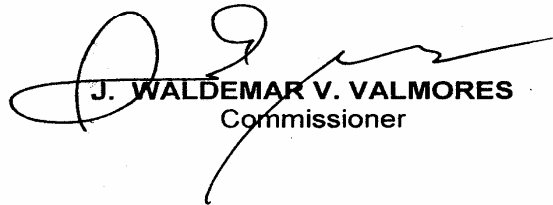
All CSC issuances inconsistent with this provision are hereby repealed or amended.

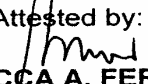
Quezon City, SEP 04 2003, 2003

  
KARINA CONSTANTINO-DAVID  
Chairman

ON LEAVE

JOSE F. ERESTAIN, JR.  
Commissioner

  
J. WALDEMAR V. VALMORES  
Commissioner

Attested by:  
  
REBECCA A. FERNANDEZ  
Director IV  
Commission Secretariat and Liason Office