

1

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8026

Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

AN ACT
AMENDING SECTION 5 AND 8 OF REPUBLIC ACT (RA) NO. 9505, OTHERWISE
KNOWN AS THE PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA) LAW
AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 **SEC. 1.** Section 5 of Republic Act No. 9505 is hereby amended to read as follows:

2
3 **“SEC.5. Maximum Annual PERA Contributions.**— A Contributor may make
4 an aggregate maximum contribution of **[One] TWO hundred thousand pesos**
5 **[(100,000.000)] (P200,000.00)** or its equivalent in any convertible foreign
6 currency at the prevailing rate at the time of the actual contribution, to his/her
7 PERA per year: Provided, That if the Contributor is married, each of the spouses
8 shall be entitled to make a maximum contribution of **[One] TWO hundred**
9 **thousand pesos [(100,000.00)] (P200,000.00)** or its equivalent in any convertible
10 foreign currency per year to his/her respective PERA Provided, further, That if the
11 Contributor is an overseas Filipino, he shall be allowed to make maximum
12 contributions double the allowable maximum amount.

13
14 A Contributor has the option to contribute more than the maximum amount
15 prescribed herein: Provided, That the excess shall no longer be **ALLOWED AS**
16 **DEDUCTION FROM GROSS INCOME, AS PROVIDED IN SECTION 8**
17 **OF THIS ACT [entitled to a tax credit of five percent (5%)].**

18
19 The Secretary of Finance may adjust the maximum contribution from time to
20 time, taking into consideration the present value of the said maximum
21 contribution using the Consumer Price Index as published by the National
22 Statistics Office, fiscal position of the government and other pertinent factors.”

23
24 **SEC.2.** Section 8 of Republic Act No. 9505 is hereby amended to read as follows;

25
26 **SEC.8. Tax Treatment of Contributions.- FOR INCOME TAX PURPOSES,**
27 **PERA CONTRIBUTIONS UP TO THE MAXIMUM AMOUNT**
28 **PRESCRIBED IN SECTION 5 OF THIS ACT SHALL BE ALLOWED AS**
29 **DEDUCTIONS FROM GROSS INCOME OF EACH CONTRIBUTOR:**
30 **PROVIDED, HOWEVER, THAT ANY EXCESS IN THE MAXIMUM**
31 **AMOUNT SHALL NO LONGER BE ALLOWED AS DEDUCTIONS**
32 **THEREOF. [The Contributor shall be given an income tax credit equivalent to**
33 **five percent (5%) of the total PERA contribution: Provided, however, That in no**
34 **instance can there be any refund of the said tax credit arising from the PERA**
35 **contributions. If the Contributor is an overseas Filipino, he shall be entitled to**

1 claim tax credit from any tax payable to the national government under the
2 National Internal Revenue Code of 1997, as amended.]
3

4 **SEC.3. *Implementing Rules and Regulations.***- The Bureau of Internal Revenue (BIR)
5 shall issue the implementing rules and regulations regarding all aspects of tax administration
6 relating to PERA: *Provided*, That individuals earning purely compensation income, as defined in
7 Section 32 (A)(1) of the National Internal Revenue Code (NIRC), as amended, derived from
8 sources within the Philippines, the income tax on which has been correctly withheld under the
9 provision of Section 79 of the NIRC, as amended, and will be a Contributor to a PERA are still
10 not required to file an income tax return but are subject to substituted filing: *Provided further*,
11 That the BIR shall issue the necessary rules and regulations in relation to this matter such that
12 correct taxes are withheld and/or collected: *Provided finally*, That the failure of the concerned
13 agencies to promulgate the said rules and regulations shall not prevent the implementation of this
14 Act upon its effectivity.
15

16 **SEC.4. *Repealing Clause.***- All laws, orders, issuances, circulars, rule and regulations or
17 parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or
18 modified accordingly.
19

20 **SEC.5. *Separability Clause.***- If any provision of this Act is declared unconstitutional or
21 invalid, other parts or provision hereof not affected thereby shall continue to be in full force and
22 effect.
23

24 **SEC.6. *Effectivity.***- This Act shall take effect fifteen (15) days after publication in two
25 (2) national newspaper of general circulation.

Approved,