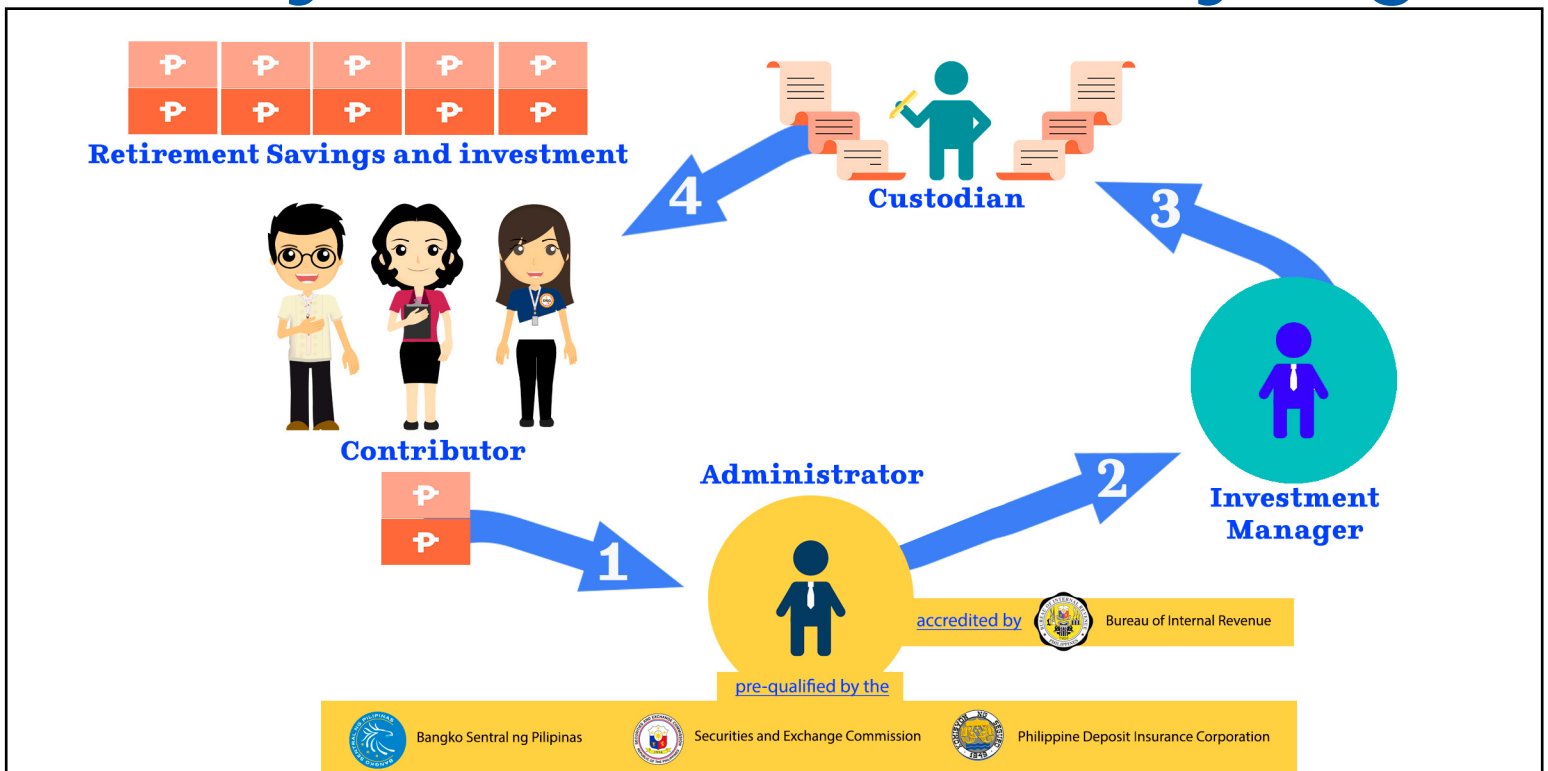




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Money!talk: PERA finally a go



Financial advisors often say that retirement is a great moment in a worker's life. You will have all the time to conquer the world and do what you want to do. But the big question is, do you have the funds to do so?

Here's a great news to all state and private workers: the long-delayed Personal Equity and Retirement Account (PERA) is now finally given a go signal for implementation so you can start your savings for your retirement!

PERA was established in 2008 by virtue of Republic Act 9505 but its implementation was only recently given a go via Bureau of Internal Revenue (BIR) Memorandum Order 42-2016.

This is a personal and voluntary retirement savings and investment program in addition to the Government Service Insurance System (GSIS) and Social Security System (SSS). This aims to promote capital market development and savings mobilization to contribute to long-term financial security.

There are four parties to a PERA: the contributor, administrator, investment manager, and custodian. If you have a Tax Identification Number (TIN), you can open your PERA account and put a maximum of P100,000 amount to your PERA account annually. To open an account, you can choose from any administrator who has been pre-qualified by the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), or Insurance Commission (IC) and accredited by the BIR.

You will also have an investment manager whom you will give authorization to make investment decisions for your PERA. There will also be a separate custodian who will receive

the funds from your PERA and will regularly update you on the status of your savings/investment.

When you choose to open a PERA account, you will enjoy the following benefits:

- A. On your PERA savings/investment:
 - Tax exemption from the earnings generated from all PERA accounts
 - Tax credit from your contributions equivalent to 5%
 - Tax exemption of your PERA contribution if there is employer contribution
- B. On your retirement:
 - Option to avail all the retirement benefits upon reaching age 55 with minimum five years contribution
 - Retirement benefit can be availed as lump sum, pension or combination of both
- C. Upon your death, disability or sickness:
 - Partial withdrawal from the PERA fund without penalty in case of permanent disability or extended sickness over 30 days.
 - Upon death, the proceeds of the PERA fund will be distributed to qualified beneficiaries without estate taxes.
 - Your PERA funds will be invested in different PERA investment products which will later be made available to the public.

Eve Castino-Quilas, PACS-ICRD

DILG-CO QUALITY POLICY

We, the DILG Central Office, commit to formulate sound policies and provide effective technical and administrative services to promote excellence in local governance, strengthen local government capacities, and enhance the service delivery of our Regional and Field Offices.