

## Republic Act 7432

AN ACT TO MAXIMIZE THE CONTRIBUTION OF SENIOR CITIZENS TO NATION BUILDING, GRANT BENEFITS AND SPECIAL PRIVILEGES AND FOR OTHER PURPOSES.

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

**SECTION 1. Declaration of Policies and Objectives** – Pursuant to Article XV, Section 4 of the Constitution, it is the duty of the family to take care of its elderly members while the State may design programs of social security for them. In addition to this, Section 10 in the Declaration of Principles and State Policies provides: “The State shall provide social justice in all phases of national development”. Further, Article XIII, Section II provides: “The State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women and children.” Consonant with these constitutional principles the following are the declared policies of this Act:

- a) a) To motivate and encourage the senior citizens to contribute to nation building;
- b) b) To encourage their families and communities they live with to reaffirm the valued Filipino tradition of caring for the senior citizens.

In accordance with these policies, this act aims to:

- 1) 1) Establish mechanism whereby the contribution of the senior citizens are maximized;
- 2) 2) Adopt measures whereby our senior citizens are assisted and appreciated by the community as a whole;
- 3) 3) Establish a program beneficial to the senior citizens, their families and the rest of the community that they serve.

**SECTION 2. Definition of Terms.** – As used in this Act, the term “senior citizen” shall mean any resident of the Philippines at least sixty (60) years old, including those who have retired from both government offices and private enterprises, and has an income of not more than Sixty thousand pesos (P60,000.00) per annum subject to review by the National Economic and Development Authority (NEDA) every three (3) years.

The term “head of the family” shall mean any person so defined in the National Internal Revenue Code.

**SECTION 3. Contribution to the Community.** – Any qualified senior citizens as determined by the Office for Senior Citizen Affairs (OSCA) may render his/her services to the community which shall consist of but not limited to any of the following:

- a) Tutorial and/or consultancy services;
- b) Actual teaching and demonstration of hobbies and income generating skills;
- c) Lectures on specialized fields like agriculture, health, environmental protection and the like;
- d) The transfer of new skills acquired by virtue of their training mentioned in Section 4, paragraph
- e) Undertaking other appropriate services as determined by the Office for Senior Citizens Affairs (OSCA) such as school traffic guide, tourist aid, pre-school assistant, etc.

In consideration of the services rendered by the qualified elderly, the Office for Senior Citizens Affairs (OSCA) may award or grant benefits or privileges to the elderly, in addition to the other privileges provided for under Section 4 hereof.

**SECTION 4. Privileges for the Senior Citizens.** – The senior citizens shall be entitled to the following:

- a) a) The grant of twenty percent (20%) discount from all establishments relative to utilization of transportation services, hotels and similar lodging establishment,

restaurants and recreation centers and purchase of medicines anywhere in the country: Provided, That private establishments may claim the cost as tax credit;

- b) b) A minimum of twenty percent (20%) discount on admission fees charged by theaters, cinema houses and concert halls, circuses, carnivals and other similar places of culture, leisure, and amusements;
- c) c) Exemption from the payment of individual income taxes: Provided, That their annual taxable income does not exceed the poverty level as determined by the National Economic and Development Authority (NEDA) for that year;
- d) d) Exemption from training fees for socioeconomic programs undertaken by the OSCA as part of its work;
- e) e) Free medical and dental services in government establishment anywhere in the country, subject to guidelines to be issued by the Department of Health, the Government Service Insurance System and the Social Security System;
- f) f) To the extent practicable and feasible, the continuance of the same benefits and privileges given by the Government Service Insurance System (GSIS), Social Security System (SSS) and PAG-IBIG, as the case may be, as are enjoyed by those in actual service.

**SECTION 5. *Government Assistance.*** – The Government shall provide the following assistance to those caring for and living with the senior citizen:

- a) The senior citizen shall be treated as dependents provided for in the National Internal Revenue Code and as such, individual taxpayers caring for them, be they relatives or not shall be accorded the privileges granted by the Code insofar as having dependents are concerned.
- b) Individuals or non-governmental institutions establishing homes, residential communities or retirement villages solely for the senior citizens shall be accorded the following:
  - 1) Realty tax holiday for the first five (5) years starting from the first year of operations;
  - 2) Priority in the building and/or maintenance of provincial or municipal roads leading to the aforesaid home, residential community or retirement village.

**SECTION 6. *Retirement Benefits.*** – To the extent practicable and feasible retirement benefits from both the Government and the private sectors shall be upgraded to be at par with the current scale enjoyed by those in actual service.

**SECTION 7. *The Office for Senior Citizens Affairs (OSCA).*** – There shall be established in the Office of the Mayor an OSCA to be headed by a Councilor who shall be designated by the Sangguniang Bayan and assisted by the Community Development Officer in coordination with the Department of Social Welfare and Development. The functions of this office are:

- a) a) To plan, implement and monitor yearly work programs in pursuance of the objectives of this Act;
- b) b) To draw up a list of available and required services which can be provided by the senior citizens;
- c) c) To maintain and regularly update on a quarterly basis the list of senior citizens and to issue nationally uniform individual identification cards which shall be valid anywhere in the country;
- d) d) To serve as a general information and liaison center to serve the needs of the senior citizens.

**SECTION 8. *Municipal Responsibility.*** – It shall be the responsibility of the municipality through the Mayor to ensure that the provisions of this Act are implemented to its fullest.

**SECTION 9. Penalties.** – Violation of any provision of this Act for which no penalty is specifically provided under any other law, shall be punished by imprisonment not exceeding one (1) month or a fine not exceeding One thousand pesos (P1,000.00) or both.

**SECTION 10. Implementing Rules and Regulations.** – The Secretary of Social Welfare and Development jointly with the Department of Finance, the Department of Tourism, the Department of Health, the Department of Transportation and Communications and the Department of Interior and Local Government shall issue the necessary rules and regulations to carry out the objectives of this Act.

**SECTION 11. Appropriation.** – The necessary appropriation for the operation and maintenance of the OSCA shall be appropriated and approved by the local government units concerned. The National Government shall appropriate such amount as may be necessary to carry out the objectives of this Act.

**SECTION 12. Repealing Clause.** – All provisions of laws, orders, and decrees, including rules and regulations inconsistent herewith are hereby repealed and/or modified accordingly.

**SECTION 13. Separability Clause.** – If any part or provision of this Act shall be held to be unconstitutional or invalid, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

**SECTION 14. Effectivity.** – This Act shall take effect fifteen (15) days following its publication in one (1) national newspaper of general circulation.

Approved,

**(SGD.) RAMON V. MITRA**  
Speaker of the House of  
Representatives

**(SGD.) NEPTHALI A. GONZALES**  
President of the Senate

This bill, which is a consolidation of Senate Bill Nos. 835, 1435 and House Bill No. 35335, was finally passed by the Senate and the House of Representatives on February 7, 1992.

**(SGD.) CAMILO L. SABIO**  
Secretary General  
House of Representatives

**(SGD.) ANACLETO D. BADOY, JR.**  
Secretary of the Senate

Approved: April 23, 1992

**(SGD.) CORAZON C. AQUINO**  
President of the Philippines

#### **GUIDELINES ON THE ISSUANCE OF THE NATIONALLY UNIFORM IDs OF SENIOR CITIZENS AS PER R.A. 7432**

The national I.D. of Senior Citizens as per provision of RA 7432 is to be provided by the Department of Social Welfare and Development (DSWD) for free. A senior citizen who has an income of P60,000.00 and below per annum shall be granted the benefits per Section 4 of RA 7432. The process of securing the ID is as follows:

1. A Senior Citizen shall enlist at the Office for Senior Citizens Affairs (OSCA) established at the Office of the Mayor in his/her city or municipality;
2. The OSCA shall determine the eligibility of the senior citizen. All eligible senior citizens shall provide OSCA two (2) ID pictures taken within the year of enlisting at OSCA. One ID picture shall be attached to the OSCA registration form to be kept by the said office. The other picture shall be for the ID card;

3. 3. The OSCA shall prepare the list of Senior Citizens to be certified by the local office of the Bureau of Internal Revenue and the local Civil Registrar's office;
4. 4. Duplicate copy of the certified list of senior citizens shall be submitted by OSCA to the DSWD filed office;
5. 5. The Bureau of Disabled Persons Welfare, DSWD shall send to the 14 DSWD Field Offices number of IDs needed by the Elderly of the region;
6. 6. The DSWD Field Office shall release the IDs to the respective local OSCAs;
7. 7. The OSCA shall issue the ID cards duly signed by the municipal/city Mayor to the qualified senior citizens;
8. 8. The OSCA shall issue the nationally uniform ID card without cost to the Senior Citizen.

In case the ID is lost, it must be reported to the local OSCA. Replacement shall be issued upon request by OSCA with corresponding cost. The cost per ID shall be determined by DSWD. The payment shall remain at OSCA as part of its funds. No ID cards of senior citizens shall be issued directly by the DSWD Central Office or its field offices.

### **SOCIAL DEVELOPMENT COMMITTEE**

Resolution No. 1 (Series 1993)

Approving the Implementing Rules and Regulations of R.A. 7432 Maximizing the Contribution of Senior Citizens to Nation Building, Grant Benefits and Privileges
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Whereas, the Philippine Constitution recognizes the duty of the family to take care of its elderly members with the state designing programs of social security for them, and the need for the state to promote social justice in all phases of national development, by making available essential social services to the priority groups such as the sick, elderly, disabled, women and children;

Whereas, RA 7432 has been enacted to motivate and encourage senior citizens to contribute to nation building and to mobilize their families and the communities they live with to reaffirm the valued Filipino tradition of caring for the senior citizen;

Whereas, the Medium Term Philippine Development Plan (MTPDP) 1993-1998 aims to pursue a better quality of life for all Filipinos particularly the disadvantaged sectors by providing focused basic services to allow them to manage and control their resources, as well as benefit from developmental interventions;

Whereas, the draft IR on R.A. 7432 was formulated by an Inter-agency Committee headed by the Department of Social Welfare and Development (DSWD), and participated in by the Department of Interior and Local Government (DILG), Tourism (DOT), Transportation and Communications (DOTC), Health (DOH) and Finance (DOF), including the National Federation of Senior Citizens Association of the Philippines (NFSCAP).

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Chairman and the members (of the NEDA, Board's Social Development Committee (SPC) Cabinet level, to approve the Implementing Rules and Regulations of R.A. 7432.

**(Sgd.) Honorable Nieves R. Confesor**  
Secretary, Department of Labor and Employment  
Chairman, Social Development Committee

**(Sgd.) Honorable Cielito F. Habito, Jr.**  
Secretary for Socioeconomic Planning  
Co-Chairman, Social Development Committee

**(Sgd.) Hon. Corazon Alma G. De Leon**  
Acting Secretary  
Department of Social Welfare and Development

**(Sgd.) Hon. Roberto S. Sebastian**  
Secretary  
Department of Agriculture

**(Sgd.) Hon. Ernesto D. Garilao**  
Secretary  
Department of Agrarian Reform

**(Sgd.) Hon. Juan M. Flavier**  
Secretary  
Department of Health

**(Sgd.) Hon. Rafael M. Alunan, III**  
Secretary  
Department of Interior and Local Government

**(Sgd.) Hon. Armand V. Fabella**  
Secretary  
Department of Education, Culture and Sports

**(Sgd.) Hon. Edelmiro A. Amante, Sr.**  
Secretary  
Office of Executive Secretary

**RULES AND REGULATIONS IN THE IMPLEMENTATION OF RA 7432, THE ACT TO  
MAXIMIZE THE CONTRIBUTION OF SENIOR CITIZENS TO NATION  
BUILDING, GRANT BENEFITS AND SPECIAL PRIVILEGES  
AND FOR OTHER PURPOSES**

**RULE I**

**TITLE, PURPOSE AND CONSTRUCTION**

Article 1. Title – These Rules shall be known and cited as the Rules and Regulations implementing the Act to Maximize the Contribution of Senior Citizens to Nation Building, Grant Benefits and Special Privileges and for Other Purposes.

Article 2. Purpose – These Rules are promulgated to prescribe the procedures and guidelines for the implementation of the Act to Maximize the Contribution of Senior Citizens to National Building, Grant Benefits and Special Privileges and for Other Purposes in order to facilitate the compliance therewith and to achieve the objectives thereof.

Article 3. Construction – These Rules shall be construed and applied in accordance with and in furtherance of the policy and objectives of the law. In case of conflict and/or ambiguity, which may arise in the implementation of these rules, the concerned agencies shall issue the necessary clarification. In case of doubt, the same shall be construed liberally and in favor of the beneficiaries.

**RULE II**

**DECLARATION OF POLICIES AND OBJECTIVES, SCOPE AND APPLICATION**

Article 4. Declaration of Policies and Objectives – Pursuant to Article XV, Section 4 of the Constitution it is the duty of the family to take care to its elderly members while the State may design programs of social security for them. In addition to this, Section 10 in the Declaration of Principles and State Policies provides: "The State shall provide social justice in all phases of national development." Further, Article XIII, Section II provides: "The State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health, and other social services available to all the people at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, disabled, women and children." Consonant to these constitutional principles, the following are the declared policies of this Act:

- a) a) To motivate and encourage senior citizens to contribute to nation building;
- b) b) To encourage their families and the communities they live with to reaffirm the valued Filipino tradition of caring for the senior citizens;

In accordance with these policies, the Act aims to:

- a) a) Establish mechanisms whereby the contribution of the senior citizens are maximized;
- b) b) Adopt measures whereby our senior citizens are assisted and appreciated by the community as a whole;
- c) c) Establish a program beneficial to the senior citizens, their families and the rest of the community that they serve.

Article 5. Definition of Terms – As used in these rules, the following terms shall be defined as follows:

5.15.1 Senior Citizen – any resident citizen of the Philippines, at least sixty (60) years old, including those who have retired from both government offices and private enterprises and has an income of not more than sixty thousand pesos (P60,000.00) per annum subject to review by the National Statistics Coordination (NSCB) every three (3) years.

Senior Citizens earning sixty thousand pesos (P60,000.00) per annum may be tapped as resource persons to provide transfer technology and consultancy services or other services in the community. Those without income are necessarily covered by this definition.

5.25.2 Resident Citizen – refers to Filipino Citizen who establishes to the satisfaction of the Office of the Senior Citizens Affairs (OSCA) the fact of his physical presence in the Philippines for at least 183 days with a definite intention to reside therein.

5.35.3 Benefactor – shall mean any person whether related to the senior citizen or not who takes care of him or her as dependent.

5.45.4 Head of the Family – shall mean an unmarried or legally separated man or woman with one or both parents or with one or more brothers or sisters or with one or more legitimate, recognized, natural or legally adopted children and/or with one or more senior citizen living with and dependent upon him for their chief support where brother/s or sister/s or children are not more than twenty one (21) years of age unmarried and not gainfully employed or where such children, brother/s or sister/s, regardless of age are incapable of self-support because of mental or physical defect.

5.55.5 National Identification Cards – are the ID cards provided for initially for free by the Department of Social Welfare and Development and issued through the Office for Senior Citizens Affairs (OSCA).

5.65.6 Office for Senior Citizens Affairs – otherwise known, as the OSCA shall be established in the Office of the Mayor as prescribed in the Act.

5.75.7 Department of Social Welfare and Development – otherwise known as DSWD in this rule, shall mean the national office located at Batasan Complex, Quezon City and its field offices in the fourteen regions of the country.

5.85.8 Municipal/City Federation of Senior Citizens – an organization of senior citizens in the locality which is affiliated with the National Federation of Senior Citizens' Associations of the Philippines (NFSCAP). In the absence of such organization, any organization of senior citizens in the locality duly accredited by the Sangguniang Bayan/Panglungsod.

5.95.9 Air Transportation Service – shall mean as the carriage of passenger by air.

5.10 5.10 Hotel – shall mean the building, edifice or premises or a completely independent part thereof, which is used for the regular reception, accommodation, or lodging of travelers and tourists and the provision of services incidental thereto for a fee.

5.11 5.11 Lodging Establishment – shall mean any of the following:

- a. a. Tourist Inn – a lodging establishment catering to transients which does not meet the minimum requirement of an economy hotel.

- b. b. Apartel – any building or edifice containing several independent and furnished or semi-furnished apartments, regularly leased to tourists and travelers for dwelling on a more or less long-term basis and offering basic services to its tenants, similar to hotels.
- c. c. Motorist Hotel – any structure with several separate units, primarily located along the highway, with individual or common parking space, at which motorists may obtain lodging and in some instances, meals.
- d. d. Pension House – a private, or family-operated tourist boarding house, tourist guest house or tourist lodging house, employing non-professional domestic helpers, regularly catering to tourist, and/or travelers, containing several independent lettable rooms, providing common facilities such as toilets, bathrooms/showers, living and dining rooms and/or kitchen and where a combination of board and lodging may be provided.

The term lodging establishment shall include lodging houses, which shall mean such establishments as are regularly engaged in the hotel business, but which, nevertheless, are not registered, classified and licensed as hotels by reason of inadequate essential facilities and services.

- 5.12 5.12 Restaurant – shall mean any establishment, duly licensed by the local government units (LGUs ), offering to the public, regular and special meals or menu, cooked food and short orders. Such eating-places may also serve coffee, beverages and drinks.

### **RULE III**

#### **CREATION OF THE OFFICE FOR SENIOR CITIZENS AFFAIRS**

Article 6. Office for Senior Citizens Affairs (OSCA) – There shall be established in the office of the Mayor and OSCA to be headed by a councilor who shall be designated by the Sangguniang Bayan/Panglungsod in coordination with the Department of Social Welfare and Development (DSWD) and the Municipal/City Federation of Senior Citizens.

Article 7. The Functions of OSCA – The OSCA shall perform the following functions:

- a) a) To plan, implement and monitor yearly work programs in pursuance of the objectives of this Act;
- b) b) To mobilize the different local agencies to identify activities within their programs which can be undertaken by the senior citizens;
- c) c) To draw up a list of available and required services which can be provided by the senior citizens;
- d) d) To maintain a regular update on a quarterly basis a list of senior citizens;

The regular quarterly update of the list of senior citizens shall be made on the first week of the first month of every quarter.

- e) e) To issue nationally uniform individual identification cards which shall be valid anywhere in the country;

It shall be the responsibility of the local Social Welfare Development Officer or any other officer performing such functions to review and process all applications

- f) f) To serve as a general information and liaison center to respond to the needs of the senior citizens, the OSCA shall:

f.1 assist any complainant or aggrieved senior citizen in filing the appropriate action with the Office of the Public Prosecutor or with the concerned Agency/Department until same is finally terminated or resolved, and;

f. 2 assist the National Government in putting up the necessary appropriate notices of the mandatory elderly discount privileges/benefits under RA 7432, which shall be posted at a conspicuous place in all establishments.

This shall be made as a requirement in the renewal of business licenses annually.

The Municipal/City Federations of Senior Citizens shall assist OSCA in the foregoing

functions:

8.1 8.1 to provide the initial nationally uniform identification cards which shall be issued through the OSCA.

The nationally uniform individual identification cards shall contain the following information:

- a) a) Control Number, Date of Issue
- b) b) Name
- c) c) Address
- d) d) Age, as supported by a certified birth certificate from the Office of Civil Registrar; Birth date
- e) e) Annual income, as supported by a certificate of exemption from payment of income tax issued by the local office of the Bureau of internal Revenue (BIR)
- f) f) Picture
- g) g) Signature of senior citizen

A senior citizen whose income is P60,000.00 and below annually shall be issued a national ID card, which contains the mandatory elderly, discount privileges/benefits under RA 7432.

This shall be duly signed by the mayor of the senior citizen's locality, the Secretary of the Department of Social Welfare and Development (DSWD) and the Secretary of the Department of Interior and Local Government (DILG). This shall be non-transferrable.

8.2. 8.2. to assist in developing the standards of programs and services of OSCA.

8.3. 8.3. to provide technical assistance and monitor services and projects to be undertaken by the OSCA.

#### **RULE IV**

#### **CONTRIBUTIONS IN THE COMMUNITY**

Article 9. Contributions of Senior Citizens to the Community. Any qualified senior citizen as determined by the OSCA may render his/her services to the community, which shall consist of, but not limited to any of the following:

- a. a. tutorial and/or consultancy services;
- b. b. actual teaching and demonstration of hobbies and income generating skills;
- c. c. lectures on specialized field like agriculture, health, environmental protection;
- d. d. transfer of new skill acquired by virtue of their training mentioned in Section 4 of paragraph (d) of the Act;
- e. e. undertake other appropriate services as determined by the OSCA such as school traffic guide, tourist aide, pre-school assistance, etc.

In consideration of services rendered by the qualified elderly, the OSCA may award or grant benefits/privileges to the elderly, in addition to the other privileges provided for under Section 4 of the Act.

In the absence of resources, OSCA shall mobilize resources of the community to provide awards or incentives.

Financially able institutions desiring to acquire services of the elderly shall be mobilized to provide a reasonable compensation e.g. transport, food, etc. for the duration of the senior citizen's services.

Senior citizens earning above sixty thousand pesos (P60,000.00) annually can be granted some awards or benefits by the OSCA for services rendered to his community e.g. consultancy services, transfer of new technology, etc.



## **RULE V**

### **PRIVILEGES AND BENEFITS OF SENIOR CITIZENS**

A senior citizen shall be granted twenty per cent (20%) discount from all establishments relative to utilization of transportation services, hotels and similar lodging establishments, restaurants and recreation centers and purchases of medicines, anywhere in the country.

#### **A. A. Transportation Benefits**

A. 1 Public Water Transportation – Every senior citizen who is a passenger of any public water transportation service as this term is understood under the Public Service Act, as amended, shall be entitled to a discount in the amount of not less than twenty per cent (20%) of the fare charged or authorized, including discount of twenty per cent (20%) on purchases of meals or food items from the restaurant either operated by concessionaire or the carrier and medicines on board vessels.

The Maritime Industry Authority (MARINA) is hereby directed to issue corresponding circulars or directives to the shipping industry for the implementation of these guidelines to ensure compliance herewith, as well as requirements to ship operators/ship owners to disseminate, by posters, handbills or pamphlets, the information about senior citizen on board vessels to maximize the benefits of the senior citizens.

A senior citizen, unless his/her physical appearance shows that he/she undoubtedly 60 years old or above, may prove his/her age by any of, but not limited, to the following documents or papers:

- a. a. Official Identification Card from the OSCA of the LGUs, SSS/GSIS ID (old or new);
- b. b. Driver's License or Birth Certificate;
- c. c. Voter's ID or Voter's Affidavit;
- d. d. Residence Certificate (old or new);
- e. e. And other public/official record or document, from relevant government agencies.

A.2 Public Land Transportation – every senior citizen who is a passenger of any public land transportation services stated below, shall be entitled to a discount in the amount of not less than twenty per cent (20%) of the fare authorized by the Land Transportation Franchising and Regulatory Board (LTFRB).

The public land transportation referred to are the following:

- a. a. Bus (pub)
- b. b. Jeepney (puj)
- c. c. Taxi
- d. d. Shuttle Bus
- e. e. Tourist Bus
- f. f. Other modes of passenger land transportation devoted for public use and for a fee with general or limited clientele.

The LTFRB is hereby directed to issue corresponding circular or directives to the public land transport sector for the implementation of these guidelines to ensure compliance herewith, as well as requirements to these operators to disseminate, by posters, handbills or pamphlets, the information about senior citizens on board their vehicles to maximize the benefits of the senior citizens.

Every senior citizen is entitled to a grant of twenty per cent (20%) discount on the use of Light Rail Transit (LRT) System.

Senior citizens who would wish to avail of the discount privileges on LRTC shall be guided by the following procedures/conditions:

- a) a) Senior citizens shall personally apply for the issuance of discount tickets (in booklet form) at the Light Rail Transit Authority (LRTC) or METRO, Inc. with office at the Administration Building, LRTA Compound, Aurora Boulevard, Pasay City or at designated outlets at the LRT system by presenting their ID card issued by the OSCA.

Discount tickets will be printed with control numbers and will allow a senior citizen to purchase LRT tokens at a twenty per cent (20%) discount.

- b) b) A senior citizen shall personally surrender to any LRT token teller on duty at any LRT station/terminal where he/she will board, a discount ticket for every token he/she will purchase.

Upon surrender of the discount ticket and presentation of the national ID card by a senior citizen, he/she shall pay for the LRT token at twenty per cent (20%) discount. (A senior citizen is entitled to purchase only one (1) LRT token at discounted price every time he/she avails of the LRT System.)

To avoid untoward incidents, senior citizens are discouraged from riding the LRT during peak hours from 7:00 A.M. to 9:00 A.M. and from 5:00 P.M. to 7:00 P.M. due to the volume of rider ship.

Twenty per cent (20%) discount for LRT tokens are available only at LRTC stations/terminals. Discounted token are not available from off-station token vendors.

A.3. Domestic Air Transportation – Every senior citizen who is duly certified by the OSCA is entitled to twenty per cent (20%) discount from the Civil Aeronautics Board (CAB) approved and published airline rates for domestic air transportation services.

This Act shall cover individuals, partnership, or corporations and all other entities engaged in the carriage of passengers by air.

The following are the conditions required of a senior citizen to be able to avail of the twenty per cent (20%) discount on air transportation services:

- a. a. The senior citizen should present his/her identification card duly issued by OSCA in securing a passage ticket;
  - b. b. He/She should personally secure the passage ticket;
  - c. c. The passage ticket shall be non-transferable.
- B. B. Hotels/Lodging Establishments Benefits – the twenty per cent (20%) discount privileges of the senior citizen from hotels/establishments shall be limited to room accommodation only.

The DILG shall issue the necessary circulars or directives to tourism establishments for the implementation of these guidelines and to ensure compliance herewith.

Likewise the Department of Tourism (DOT) shall issue the corresponding Administrative Order to DOT accredited establishments.

- C. C. Recreation Center Benefits – A senior citizen is entitled to a minimum of twenty per cent (20%) discount on all admission fees charged by the theatres, cinema houses and concert halls, circuses, carnivals and other similar places of culture, leisure and amusement.
- D. D. Purchases of Medicine Benefits – A senior citizen is entitled to a minimum of twenty per cent (20%) discount in the purchase of medicine for his personal use and according to his personal needs.

In the purchase of medicine, a senior citizen or his doctor or the latter's duly authorized representative should always present the national identification card duly certified by the OSCA together with the doctor's prescription in case of prescription drugs. If over-the-counter, the number of drugs purchased shall be commensurate to the elderly person's needs.

These discount privileges shall be limited and exclusive for the benefit of the senior citizen.

- E. E. Income Tax Benefits/Tax Credits – For purpose of claiming tax credits, private establishments are required to keep a separate record of sales made to senior citizens which shall include the name, identification number, gross sales, discount and date of transaction.

A senior citizen whose annual taxable income does not exceed the poverty level as determined by NSCB shall be exempted from payment of individual income tax. Provided that:

- a) a) A senior citizen whose annual taxable income exceed the said poverty level shall be liable to the individual income tax for the full amount of his/her taxable income net of personal and additional exemptions;
  - b) b) Annual taxable income shall refer to the annual gross compensation, business and other incomes as defined in Section 28 of the National Internal Revenue Code (NIRC) other than income subject to tax under paragraphs (b), (c), (d) and (e) of Section 21 of the NIRC which include certain passive incomes, capital gains from sale of shares of stock and capital gains from sale of real property;
  - c) c) The senior citizen is a resident citizen;
  - d) d) NEDA shall inform the Commissioner of Internal Revenue in writing and publish in a newspaper of general circulation the estimated poverty threshold.
- F. F. Training Fee Benefits – A senior citizen is exempted from training fees for socio-economic programs undertaken by or in coordination with the OSCA as part of its work.
- G. G. Medical/Dental Benefits – A senior citizen is entitled to free medical and dental services in government establishments anywhere in the country subject to guidelines to be issued by the Department of Health (DOH), the Government Service Insurance System (GSIS) and the Social Security System (SSS).
- G.1 The DOH shall direct the government establishments in the entire country to provide free medical and dental services to senior citizens.
- a. a. The term “free” shall mean free of charge on medical/dental services where capability and facility for such services are available,
  - b. b. The term “medical services” shall refer to services pertaining to the medical care/attendance and treatment given to senior citizens. It shall include health examinations, medical/surgical procedures within the competence and capability of DOH establishments/hospitals/units and routine/special laboratory examinations and ancillary procedures as required.
  - c. c. The term “dental services” shall refer to services pertaining to dental care/attendance and remedy given to senior citizens. It shall include oral examination, curative services like permanent and temporary fillings, extractions and gum treatment.
  - d. d. Professional services – shall refer to services rendered or extended by medical, dental and nursing professionals, which shall also include services rendered by surgeons, EENT practitioners, gynecologists, urologists, neurologists, psychiatrists, psychologists and other allied specialists.
  - e. e. Counseling services – shall refer to advices given by health professional, e.g. psychologists, psychiatrists, nutritionists, nurses and other allied health professionals in support to specific treatment of illnesses.
- Provision of all of the above-mentioned services shall be subject to availability of appropriate facilities and trained manpower expertise of the receiving establishment.
- f. f. Government establishments shall refer to and limited to DOH hospitals, which shall include general hospitals, medical centers and regional hospitals directly under the full control and supervision of the DOH.
  - g. g. The term “anywhere in the country” shall be construed to mean health privileges senior citizens may avail of from any hospital in the Philippines, as defined in these guidelines, irrespective of their place of residence/locality, subject to availability of facilities and manpower/technical expertise of the receiving establishment.

The following are the health services that may be availed of for free in any government establishments, subject to availability of facilities and

manpower/technical expertise of the receiving government establishment:

- a. a. Medical and dental services
- b. b. Out-Patient consultations
- c. c. Available medicines in all public health programs
- d. d. Available diagnostic and therapeutic procedures
- e. e. Use of operating rooms, special units and central supply items
- f. f. Accommodations in the charity ward
- g. g. Professional and counseling services

To be able to avail of the aforementioned services, the following mechanics are stipulated:

- a. a. A senior citizen may obtain the benefits from any government establishment.
- b. b. He/she shall present his/her national ID card issued by the OSCA to the medical and social services or Medical Social Worker designated who shall determine the validity of his/her ID card.
- c. c. Non-presentation of the national ID card shall be sufficient reason for denial of free hospital benefits.
- d. d. In case of emergency, the medical benefits shall be accordingly provided by the receiving hospital even if the ID is not available. However, the national ID card should be presented within a reasonable time. Non-presentation of the national ID card shall be sufficient ground for charging the service already given and denial of further availment of the benefits.
- e. e. Should the senior citizen choose to be admitted to a private room/pay ward or be transferred from a free room to a pay room, the amount equivalent to the rate of a free room should be discounted from that of the pay room/ward.
- f. f. As regard referral or transfer of senior citizen-patient to another government establishment, the receiving hospital shall provide the full benefits under this rule. In case of transfer/referral between the DOH hospitals, procedures shall be based on the DOH Network Guidelines.

The responsibilities of the government establishment are as follows:

- a. a. Provide all available medical and dental services, as defined in these guidelines that may be deemed necessary in the promotion of the health of senior citizens;
- b. b. Establish a system by which all senior citizens in dire need of health serve shall be given priority and utmost consideration;
- c. c. Establish and maintain a recording/reporting system which data may be used as inputs for program/project planning and evaluation; and
- d. d. Strengthen their competence and capability to evaluate and manage geriatric cases through continuing education.

The responsibilities of senior citizens who are entitled to health benefits and privileges as indicated and certified by valid national identification cards issued by the OSCA, are as follows:

- a. a. Adhere to rules and regulations relative to the implementation of this program;
- b. b. Recognize that the government establishments have limitations and constraints in providing health services and not demand for services that are not available and beyond the level of their competence;
- c. c. Secure on their own payable services that are not covered by their health benefits and privileges stipulated herein; and
- d. d. Safeguard the integrity of their identification card and shall not allow their misuse and abuse.

To the extent practicable and feasible, the continuance of the same benefits and privileges shall be given to senior citizens by the GSIS, SSS and PAG-IBIG as the case may

be as are enjoyed by those in the actual service.

G.2 Benefits extended to senior citizens who are retirees of the GSIS are as follows:

a. a. Life Insurance

If a retiree opts to maintain his life insurance policy with the System, he may convert his compulsory life insurance into an optional insurance by paying directly to the System the monthly premiums due thereon (personal plus government share), up to its maturity date. Amount of monthly premiums shall be determined by the System. He will be entitled to receive benefits as enumerated below:

1. 1. maturity benefit – retiree will receive the total face value of the policy, less any indebtedness thereon.
2. 2. policy loan – loanable amount will not exceed 90% of the cash value of his insurance at the time of application.
3. 3. death benefit – when the retiree dies while life insurance membership is in force prior to maturity date, the designated beneficiaries double indemnity.

b. b. Retirement

1. 1. Retirees under PD 1146 or RA 660 shall resume receiving their basic monthly pension (BMP) for life after the lapse of the 5-year guaranteed period.
2. 2. Upon death of a pensioner who retired under PD 1146 or RA 660, the primary beneficiaries (legal spouse and minor children) shall receive a basic survivorship pension (BSP) equivalent to 50% of the BMP plus dependent's pension (DP) equivalent to 10% of the BMP for every minor child, if any, but not exceeding five. The spouse shall receive the BSP for life until she/he remarries. The minor children shall continue receiving DP until emancipated by marriage, gainful employment or upon reaching 21 years of age. A mentally or physically incapacitated child, however, shall receive DP for life.
3. 3. Funeral Benefit – payable upon death of the retirees, pensioner or gratuitant, the latter must have retired with at least 20 years of service to be entitled to the benefit.

c. c. Medicare

Coverage:

Employees who retired from the service before age 60 may opt to continue their membership within 6 months from date of retirement by contributing both personal and government shares of their Medicare premiums until their 60<sup>th</sup> birthday.

However, a government employee who retires under RA 1616, PD 1146 or PD 1184 at age 60 or above or under RA 660 (regardless of age) are covered without paying contributions pursuant to PD No. 408. Effective January 1, 1992, their legal dependents are also extended Medicare benefits.

Legal Dependents:

1. 1. The legal spouse who is not a Medicare member.
2. 2. The unmarried and unemployed children, including legitimated, acknowledged, legally adopted and step children below 21 years of age;
3. 3. Children 21 years old or above with disability acquired before the age of 21.

Benefits under the Medicare Act consist of:

1. 1. Allowance for room and board
2. 2. Allowance for drugs and medicines
3. 3. Allowance for x-ray/laboratory examinations/others ("others" means items such as syringes, gloves, vaco sets, butterfly, contrast media and other agents used in establishing correct diagnosis).
4. 4. Surgeon's fee
5. 5. Medical Practitioner's fee

- 6. 6. Anesthesiologist's fee
- 7. 7. Operating room fee
- 8. 8. Allowance for sterilization procedures

Types of Non-Compensable Treatments

- 1. 1. Cosmetic surgery or treatment
- 2. 2. Optometric services
- 3. 3. Psychiatric services
- 4. 4. Services which are purely diagnostic

d. d. Employees Compensation (PD 626)

Only employment-connected injury or sickness resulting in disability or death is compensable. It therefore presupposes the existence of an employee-employer relationship at the time the contingency occurs. The legal and/or medical evaluation to determine compensability is lodged solely with the System.

Type of Disability	Benefits
Temporary Total Disability (TTD)	1. daily income benefit of not less than P10,00 nor more than P90.00 for a period not exceeding 120 days and in severe cases up to 240 days.  2. medical and/or related services (for work-connected injury or sickness) consisting of:  2.1 hospitalization room and board supplies, x-ray, medicines, laboratory, professional fee.  2.2 ambulatory/domiciliary care, services for hospitalization except room and board  2.3 reimbursement of medicines (in case of non-confinement)
Permanent Partial Disability (PPD)	1. monthly income benefit (MIB) for the designated number of months of not less than P250.00 or more than P3,240.00.  2. medical and/or related services (for work-connected injury or sickness) (refer to 2.1 2.2 and 2.3)

Permanent Total Disability (PTD)	1. monthly income benefit (MIB) of not less than P250.00 nor more than P3,240.00 plus 10% increment for each minor child not exceeding five starting from the youngest without substitution payable for life and guaranteed for 5 years.  2. medical and/or related services (refer to 2.1, 2.2 and 2.3)  3. rehabilitation services - consist of medical/surgical management, necessary appliances and supplies such as artificial leg and arm, wheelchair, crutches, etc. and vocational training and assistance for placement.
DEATH	
A. Death of the Employee	1. MIB the same as in PPD (plus 10% thereof for each dependent

	<p>child, not exceeding five) payable to:</p> <ul style="list-style-type: none"> <li>a. a. primary beneficiary/ies for life and/or as long as qualified</li> <li>b. b. secondary beneficiary/ies (in the absence of primary beneficiary/ies) for a period not to exceed 60 months</li> </ul>
B. Death of a PTD Pensioner	<p>1. MIB due to death (80% of the MIB after the 5-year guaranteed period) payable to:</p> <ul style="list-style-type: none"> <li>a. a. primary beneficiary/ies for life and/or as long as qualified</li> <li>b. b. secondary beneficiary/ies (in the absence of primary beneficiary/ies) MIB excluding dependent's pension of the remaining balance of the 5-year guaranteed period.</li> </ul> <p>2. Funeral benefit of P3,000.00 payable upon the death of a covered employee or PTD pensioner to the person who can show incontrovertible proof that he shouldered funeral expenses.</p>

G.3 The SSS provides medical and dental services to its retirees and their dependents through the Medicare Program without the need for additional contributions. However, the Medicare Program does not cover the entire cost of hospitalization.

The SSS medical staff in the regional offices render free consultation to SSS pensioners.

The SSS regularly evaluates the level of pension of the retirees.

The SSS involvement in this Act is limited only to its retirees since the SSS funds are held in trust for the exclusive benefits of the private workers and their beneficiaries. Usage of such funds for other purposes is not allowed under SSS charter.

G.4 Membership in the PAG-IBIG Fund shall be open to all senior citizens who opt to continue with their provident savings in the Fund, even after their retirement from their employment or upon reaching the age of sixty (60) years.

- a. a. Senior citizens who wish to enlist with the PAG-IBIG Fund for the first time may do so upon proof of gainful employment, or of being self employed, or of membership in trade/service cooperative (e.g. farmers cooperatives, fishermen's cooperative, loom weavers association, handicraft maker's organization, and the like) and upon payment of the monthly minimum contribution rate as may be set up by the PAG-IBG Fund from time to time.
- b. b. PAG-IBIG members of good standing shall be entitled to avail themselves of PAG-IBIG loan privileges subject to the customary guidelines on loan availments. For PAG-IBIG housing loans, the loan availments. For PAG-IBIG housing loans, the loan period shall not be more than twenty five (25) years but in no case shall it exceed the difference between the present age reckoned from the borrower's nearest birthday and his seventieth (70<sup>th</sup>) year; in the case of a joint and several loan, the loan period shall be based on the age of the youngest of the co-borrowers.

## RULE VI

### GOVERNMENT ASSISTANCE

Article 10. Personal Tax Exemption for Benefactor – A senior citizen shall be treated as dependent provided for in the NIRC and as such, shall be accorded the privileges granted by the Code insofar as having dependent are concerned. In determining personal exemptions allowable to individuals under Section 29 (k) (l) of the NIRC, a senior citizen may be granted as a dependent. For this purpose, the definition of the term Head of the family under the said Section shall be deemed amended to refer to the condition under Article (5) of this implementing rules and regulations. The OSCA shall require the senior citizen to declare his benefactor who will be granted the exclusive right to claim him as dependent and issue a identification thereof. The said certification shall be presented by the benefactor to the BIR for purposes of determining personal exemptions.

The personal tax exemption shall take effect January 1992.

Article 11. Property Tax Exemptions and Privileges for Individuals and Non-Government Institutions. Individuals or non-government institutions establishing homes, residential communities or retirement villages solely for the senior citizen shall be accorded the following:

- a. a. One per cent (1%) property tax exemption for the first five years starting first year of operation:
- b. b.
  - (1) (1) The exemption is automatically withdrawn effective on the year after the institution ceases its operation before the end of the fifth year of operation. The owners of the properties shall thereafter be liable for the realty taxes applicable thereon.
  - (2) (2) The first year of operation shall be reckoned from the date the institution was granted a mayor's permit to operate the establishment.
  - (3) (3) The exemption shall apply prospectively. Establishments which are beyond their fifth year of operation shall not be entitled to refund of their payments or condonation of their realty tax delinquencies during their first five years of operation. However existing establishments which have been operating for less than five years shall be entitled to the exemption in the remaining of the five years.
- c. c. Priority in the building and/or maintenance of provincial or municipal roads leading to the aforesaid home residential community or retirement village.

Provided that: in both cases, said exemption and priority shall apply only when said homes residential communities or retirement villages are non-stock, no-profit as such which shall be presented to the Assessor's Office of the LGUs concerned.

## **RULE VII**

### **PENALTY PROVISIONS**

Article 12. Penalties. Any person who willfully refuses to grant the privileges provided for by RA 7432 or violates any provision thereof and for which no penalty is specifically provided for by any existing law, shall be punished by imprisonment not exceeding one (1) month or a fine not exceeding One Thousand Pesos (P1,000.00) or both.

Any organization, private government establishment and government department/bureau/agency/institution who willfully refuses to grant the privileges given to senior citizens or violates any provision of RA 7432 shall be administratively dealt with by any of the agency/department concerned including, but not limited to the cancellation of permit/s or franchise/s to operate to a business establishment or institution or public service.

## **RULE VIII**

### **FINAL PROVISIONS**

Article 13. Implementation, Supervision, Monitoring and Technical Assistance.

- a. a. Municipal Responsibility. It shall be the responsibility of every municipality, through its chief executive, to ensure that the provisions of RA 7432 are operationalized and implemented to the fullest within its jurisdiction.
- b. b. The DILG, having been designated by the President to exercise general supervision over LGUs, by virtue of the Local Code, rule XI, shall ensure the



compliance of LGUs with this Act. It shall likewise institute the necessary interventions aimed at enhancing the capacities of the LGUs in implementing the above-mentioned provisions.

- c. c. On a national scale, the DSWD, by virtue of its monitoring and technical assistance function shall ensure the viability and standard of the programs and services that are implemented, while the DILG shall ensure compliance of LGUs.

Article 14. Appropriation. The municipality, through its Sangguniang Bayan shall appropriate funds on a yearly basis for the maintenance and other operating expenses of the OSCA to incorporate in the annual budget.

The concerned provincial/municipal government agency shall likewise mobilize other sources of funds particularly those that are made available for local development activities by the national government, the legislature and the private sector.

Article 15. Separability Clause, If, for nay reason/s, any part or provision of this Implementing Rules and Regulations shall be held unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Article 16. Effectivity Clause. This Implementing Rules and Regulations shall take effect fifteen (15) days following its publication in one (1) national newspaper of general circulation.

## **ADDENDUM**

### **REVENUE REGULATIONS NO. 2-94** (August 23, 1993)

<b>SUBJECT:</b>	Republic Act No. 7432 otherwise known as an Act to Maximize the Contribution of Senior Citizens to Nation Building, Grant Benefits and Special Privileges and for Other Purposes.
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To: All Internal Revenue Officers and Others Concerned.

Section 1. SCOPE – Pursuant to Section 245 of the National Internal Revenue Code (NIRC) as amended, in relation to Section 10 of Republic Act No. 7432, these regulations are hereby promulgated to (1) implement the provisions of Section 4 and 5 (a) of the said Act granting tax exemption and other privileges to senior citizens, and (2) prescribe the guidelines for the availment thereof.

SECTION 2. DEFINITIONS. – For purposes of these regulations:

- a. a. Act – refers to Republic Act No. 7432.
- b. b. Senior citizen – means any resident citizen of the Philippines at least sixty (60) years old, including those who have retired from both government offices and private enterprises, and has an income of not more than sixty thousand pesos (P60,000.00) per annum subject to review by the National Economic and Development Authority (NEDA) every three (3) years.

The term “qualified senior citizen” shall refer to a resident Filipino citizen who meets the statutory requirements of Section 2 of the Act and Section 2(b) of these regulations.

- c. c. Resident citizen – refers to a Filipino citizen with permanent/legal residence in the Philippines, and shall include those, who, having migrated to a foreign country, have returned to the Philippines with a definite intention to side therein, and whose immigrant visa has been surrendered to the foreign government.
- d. d. Dependent – a qualified senior citizen whether or not related to a benefactor with whom he lives and who takes care of him/her.
- e. e. Head of the Family – an unmarried or legally separated man or woman, with one or both parents, or with one or more brothers or sisters, or with one or more legitimate, recognized natural or legally adopted children, living with and dependent upon him/her for their chief support, where such brothers or sisters or children are not more than twenty-one (21) years of age, unmarried and not gainfully employed or where such children, brothers or sisters, regardless of age are incapable of self-support because of mental or physical defect.

The term ‘head of family’ includes an unmarried or legally separated man or woman who is the benefactor of a qualified senior citizen as defined in Section 2 of the Act and these regulations.

The term "qualified senior citizen" shall refer to a resident Filipino citizen who meets the statutory requirements of Section 2 of the Act and Section 2(b) of these regulations.

- f. f. Benefactor – any person whether or not related to the senior citizen who takes care of the latter as a dependent.
- g. g. OSCA – refers to the Office for Senior Citizens Affairs.
- h. h. Income/Annual Taxable Income of a resident Senior Citizen shall refer to the annual gross compensation, business and other income received during each taxable year from all sources as defined in Section 28 of the NIRC, which shall not exceed the poverty level of P60, 000 or such amount as may thereafter be determined by the NEDA.

However, income derived by a qualified senior citizen from the following sources:

- 1. 1. Interest income from Philippine currency bank deposits, yield and other monetary benefit from deposit substitutes, trust fund and similar arrangements; royalties, prizes and winnings (Sec. 21 (c), NIRC);
- 2. 2. Capital gains from sales of shares of stock (Sec. 21 (d), NIRC); and
- 3. 3. Capital gains from sales of real property (Sec.21(e), NIRC).

shall not be included in the determination of his income/annual taxable income' which should not exceed the poverty level of P60,000 or such amount as may thereafter be determined by the NEDA for a certain taxable year inasmuch as income from such sources shall be subject to the corresponding income tax rates prescribed under Section 21 (c), (d) and (e) of the NIRC as amended.

- i. i. Tax Credit – refers to the amount representing the 20% discount granted to a qualified senior citizen by all establishments relative to their utilization of transportation services, hotels and similar lodging establishments, restaurants, drugstores, recreation centers, theaters, cinema houses, concert halls, circuses, carnivals and other similar places of culture, leisure and amusement, which discount shall be deducted by the said establishments from their gross income for income tax purposes and from their gross sales for value-added tax or other percentage tax purposes.

**Sec. 3. INCOME TAX BENEFIT AND PRIVILEGES FOR THE SENIOR CITIZENS.** – Senior citizens qualified as such by the Commissioner of Internal Revenue or his duly authorized representative who, for purposes of these regulations, is the Regional Director of the Revenue Region having jurisdiction of the city or municipality where they are permanent residents shall be entitled to the following tax benefit and privileges:

- a. a. Exemption from the payment of individual income tax provided that their annual taxable income does not exceed the poverty level of P60,000.00 or such amount as may be determined by the NEDA for a certain taxable year.
- b. b. A 20% discount from all establishments relative to utilization of transportation services, hotels and similar lodging establishments, restaurants and recreation center, and on purchases of medicine anywhere in the country.
- c. c. A minimum of twenty percent (20%) discount on admission fees charged by theaters, cinema houses and concert halls, circuses, carnivals and other similar places of culture, leisure, and amusement.

**Sec. 4. RECORDING/BOOKKEEPING REQUIREMENTS FOR PRIVATE ESTABLISHMENTS.** – Private establishments, i.e., transport services, hotels and similar lodging establishments, restaurants, recreation centers, drugstores, theaters, cinema houses, concert halls, circuses, carnivals and other similar places of culture leisure and amusement, giving 20% discounts to qualified senior citizens are required to keep separate and accurate record of sales made to senior citizens, which shall include the name, identification number, gross sales/receipts, discounts, dates of transactions and invoice number for every transaction.

The amount of 20% discount shall be deducted from the gross income for income tax purposes and from gross sales of the business enterprise concerned for purposes of the VAT and other percentage taxes.

**Sec. 5. AVAILMENT OF INCOME TAX EXEMPTION.** – A senior citizen who shall avail of the exemption from income tax is required to submit the following documents to the Revenue District

Officer (RDO) of the place where he is a permanent resident, who shall make the necessary verification and report for purposes of the income tax exemption to be issued by the Commissioner of Internal Revenue or his duly authorized representative:

- A. A. Certified true copy of his Birth Certificate/Baptismal Certificate or in the absence thereof, a certification from the National Statistics and Census Bureau or an affidavit by two (2) disinterested credible persons who know personally the senior citizen.
- B. B. If he has a benefactor as defined in Section 2 (f) of these Regulations, Certification as to the name, address, occupation, Office or business address (office/business) and TIN of his benefactor;
- C. C. If employed, a copy of his withholding tax statement (BIR Form W-2) for the preceding taxable year;
  - c. 1 A senior citizen who derives taxable (fixed) compensation income from only one employer in an amount not exceeding P60,000 per annum shall be exempt from income tax and consequently from the withholding tax prescribed under Section 72 Chapter 10, Title II of the National Internal Code, as amended.
- D. D. If self-employed, (i.e., practice of profession, or in business as single proprietorship) a copy of his income tax return (ITR) for the preceding taxable year together with the annual license or permit issued by the city or municipality where he has his principal place of business, supported by a copy of his declaration of sales or income.
  - d.1 A senior citizen who derives taxable compensation income from two (2) or more employers, or who receives mixed income from employment and from business shall still file an income tax return.

The RDO concerned shall transmit his verification report/recommendation to the said Regional Director, as duly authorized representative of the Commissioner, for issuance of the certificate of income tax exemption to the senior citizen.

For purposes of applying for the OSCA ID Card, the duly stamped income tax return and or the BIR Certification shall be honored.

#### Sec. 6. TAXABILITY OF SENIOR CITIZENS TO OTHER INTERNAL REVENUE TAXES.

- a. a. A senior citizen whose annual taxable income exceeds the poverty level of P60,000 or such amount as may thereafter be determined by the NEDA for a certain taxable year shall be liable to the individual income tax in the full amount thereof on his taxable income net of allowable deductions.
- b. b. Regardless of the amount of taxable income, a senior citizen who derives income from self-employment, business and practice of profession shall be subject to other internal revenue taxes which include but are not limited to the value added tax, caterer's tax, documentary stamp tax, overseas communications tax, excise taxes, and other percentage taxes. He shall therefore, file the corresponding business tax returns in accordance with existing laws, rules and regulations.
- c. c. He shall be subject to the 20% final withholding tax on, interest income from Philippine Currency bank deposit, yield and other monetary benefit from deposit substitutes, trust fund and similar arrangements; royalties, prizes (except prizes amounting to P3,000 or less which shall be subject to income tax at the rates prescribed under Section 21, paragraph (a) or (f), NIRC) as the case may be, and winnings (except Philippine Charity Sweepstakes winnings).
- d. d. Capital gains from sales of shares of stock (Sec. 21 (d), NIRC).
- e. e. Capital gains from sales of real property (Sec. 21 (e), NIRC).

#### Sec. 7. BASIC PERSONAL EXEMPTION ONLY FOR BENEFACTOR -.

A qualified senior citizen living with and taken cared of by a benefactor whether related to him or not, shall be treated as a dependent and his benefactor shall be entitled to the basic

personal exemption of P12,000 as head of the family, as defined in Section 2 (e) of these regulations.

For purposes of claiming personal exemptions as head of family with dependent senior citizen, the identification card number issued by the OSCA shall be indicated in the ITR to be filed by the benefactor. The senior citizen shall indicate in a certification to be submitted to the RDO and the OSCA his benefactor who will be granted the exclusive right to claim him as dependent for income tax purposes.

Caring for a dependent senior citizen shall not, however, entitle the benefactor to claim the additional exemption allowable to a married individual or head of family with qualified dependent children under Sec. 29 (1) (2) of the NIRC, as amended.

Sec. 8. REPEALING CLAUSE. – All existing rules, regulations and other issuances or portions thereof inconsistent with the provisions of these regulations are hereby modified, repealed or revoked accordingly.

Sec. 9. EFFECTIVITY. – These regulations shall take effect fifteen (15) days after publication in the Official Gazette or newspaper of general circulation whichever comes first and shall apply to income earned beginning January 1, 1992.

**(Sgd.) ERNESTO LEUNG**  
Acting Secretary of Finance

RECOMMENDED BY:

**(Sgd.) LIWAYWAY VINZONS-CHATO**  
Commissioner of Internal Revenue