
The Qualified Employer’s Contribution to the employee’s PERA is not subject to Fringe Benefit Tax since said contribution does not form part of the employer’s gross taxable income. The same holds true even if said contribution is granted by way of a benefit or other form and regardless of whether said benefit is granted to all or only some of the employees.

The employer who contributes to the employee’s PERA shall not be entitled to any five percent (5%) credit from its contribution to an employee’s PERA. However, the employer can claim the actual amount of his/its Qualified Employer’s Contribution as a deduction from his/its gross income to the extent of the employer’s contribution that would complete the maximum allowable PERA contribution of an employee.

In case of early withdrawal by an employee of his PERA contribution on the Qualified Employer’s Contribution, the employer will not be required to add back or increase its gross income by the PERA contributions it made in favor of its employee who made an early withdrawal of his PERA contributions.

The transfer of PERA assets to another Qualified/Eligible PERA Investment Product and/or another Administrator is not limited to transfers due to the revocation of accreditation of the previous Administrator by the BIR or the concerned Regulatory Agency, and such transfer shall not be subject to Early Withdrawal Penalty as long as it is made within fifteen (15) calendar days from the withdrawal thereof.

PERA Contributors are not disqualified from substituted filing of their Income Tax Returns by reason of PERA contributions that they or their respective employees made, provided that they meet the conditions set forth in Revenue Memorandum Circular No. 1-2003 on Substituted Filing of Income Tax Returns of Qualified Pure Compensation Income Earners.

For purposes of opening a PERA account, the BIR does not require submission of the Taxpayer Identification Number (TIN) and Revenue District Office (RDO) Code of the Contributor’s employer. The Contributor, however, is required to have a TIN. The different accounts of a PERA Contributor are considered as one PERA accounts of the PERA Contributor. The tax incentives of PERA transactions does not include exemption from stock transaction tax which is a Percentage Tax.

Other clarifications relative to issues on PERA concerning Overseas Filipinos are included in the Circular.