REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

May 20, 2019

REVENUE MEMORANDUM ORDER NO. <u>37-2019</u>

SUBJECT   :   **Amended Policies, Guidelines and Procedures on the Registration of Employees**

TO   :   All Internal Revenue Officials, Employees and Others Concerned

I. OBJECTIVES.

With the implementation of Revenue Memorandum Order (RMO) No. 20-2015 dated September 18, 2015 re: Prescribing Policies, Guidelines and Procedures on the Registration of Employees, it has been observed that the processing time of application for transfer of employee's registration takes a longer time due to pending enhancement of the Integrated Tax System (ITS). This Order is being issued to:

1. Revise the prescribed policies in the registration of employees, including updates, and simplify the process of transferring employee's registration as provided under RMO No. 20-2015.

2. Prescribe policies and guidelines in the issuance of Taxpayer Identification Number (TIN) Card to employees; and

3. Provide for a control measure in the issuance of TIN Card by the RDOs.

II. POLICIES AND GUIDELINES

Registration of Employees Earning Purely Compensation Income

1. In general, new employees without TIN shall be registered at the RDO having jurisdiction over the place of business where the employer's Head Office or Branch is physically located.

2. Employers shall secure the TIN of its new employees using the eRegistration (eREG) System within ten (10) days from the date of employment. Thus, employees who will be registered by their employers using the eREG System shall be registered to the employer's RDO (for Non-Large Taxpayer-Employer) or the RDO (for Large Taxpayer-Employer) having jurisdiction over the place of business where the employer's Head Office or Branch is physically located.

3. The employer, whether Large Taxpayer or Non-Large Taxpayer, shall manually secure the TIN of its new employees from the RDO having jurisdiction over the employer's Head Office or Branch, where the employee will be assigned, under the following circumstances:

    3.1 There is an advisory from the BIR that the eRegistration System is unavailable;

    3.2 Taxpayers who cannot be registered using the eRegistration System due to any of the following conditions:

       3.2.1 Those with no middle name; and

       3.2.2 Those with similar or found to have matching records in the BIR database.

4. New employees without TIN shall accomplish BIR Form No. 1902 (*Application for Registration for Individuals Earning Purely Compensation Income*) and submit the same to the employer.

    4.1 <u>For Large Taxpayer-Employer</u>

        4.1.1 LT-Employer shall secure the TIN of its new employees using the eRegistration System.

        4.1.2 LT-Employer that cannot register its new employees thru the eRegistration System due to reasons enumerated under Section II.3 of this Order shall secure the TIN of its employees from the local RDO having jurisdiction over its place of business. Provided that, LT-Employer shall submit a written request with corresponding transmittal list of its new employees who filed BIR Form No. 1902 (Application for Registration for Individuals Earning Purely Compensation Income, and Non-Resident Citizens / Resident Alien Employee) for TIN issuance, attention to the concerned Revenue District Officer together with the prescribed registration form and eRegistration System error message for each employee.

    4.2 <u>For Non-Large Taxpayer-Employer</u>

        4.2.1 Employers of TAMP Corporations and eFPS registered users shall secure the TIN of its new employees using the eRegistration System.

        4.2.2 All other Employers (*who are not classified as Large Taxpayers, TAMP corporations or eFPS registered users*), may secure the TIN of their employees, either through e-REG System or through the RDO having jurisdiction over the employer's business address.

        4.2.3 Employee with concurrent multiple employment shall secure TIN at the RDO having jurisdiction over his principal/main Employer.

        4.2.4 In the event that the eRegistration System cannot process the TIN application of employees due to reasons enumerated under Section III.3 of this Order, the Client Support Section (CSS) of the concerned RDO shall accommodate these employees.

5. No local employee shall be registered or transferred in the RDO code of LTAD/ELTRD/LTD-Cebu/LTD-Davao. Hence, the registration of new LT-employees using the eReg system shall be at the local (regular) RDO where the LT-Employer's Head Office or Branch is physically located. In case of eREG system unavailability, the application for registration of LT-employees shall be submitted to the local (regular) RDO where the LT-Employer's Head Office or Branch is physically located.

    Illustration:

    ABC Corporation is a Large Taxpayer-Branch (located in General Santos City) registered under LTAD 116 (RDO Code). All employees of ABC Corporation shall be registered by said corporation using the eRegistration System, if available, using the local (regular) RDO code where the Large Taxpayer's Branch Office is physically located and tagged accordingly. In this illustration, the eRegistration System shall tag RDO No. 110 – General Santos City as the RDO of the LT-Employees.

6. Summary

New Employees without TIN	Employer shall secure TIN of its employees	Manual Application	
		When eREG is unavailable or cannot be registered using the eREG	Who shall visit the RDO
Employees of Non-LT ▪ Employees of TAMP Corporations/Individuals ▪ Employees of Employers using eFPS ▪ Employees of Non-TAMO taxpayers	▪ Thru eREG ▪ Thru eREG ▪ RDO or thru eREG	Submit application to the RDO of the employer	The employer.
Employees of LT	Thru eREG	Submit application to the local (regular) RDO* of the LT-Employer	The employer.

*Local (regular) RDO is the RDO having jurisdiction over the business address of the LT-Employer's Head Office or Branch, where the new employee will be assigned.

Transfer of Registration of Employees

7. Employees earning purely compensation income, who shall subsequently transfer/change its employer, shall have its TIN/registration records be transferred to the RDO having jurisdiction over the place of their residence and not to the RDO of his/her new employer:

    a. If the said employee will change or will have a new employer; or
    b. The employees are transferring from head office to another branch office (or vice versa) of the same employer or company.

8. Transfer of registration of employees shall be the responsibility of the employee. The employee shall submit the duly accomplished and signed BIR Form No. 1905 to the old/previous RDO where the employee is registered.

9. The transfer of registration of employees shall be executed by the old/previous RDO that receives the application immediately or within twenty-four (24) hours from receipt of BIR Form No. 1905, depending on the time the application was received. In case the employee's location is relatively far from and/or unable to visit the old/previous RDO for the submission of application of transfer of registration, a faxed/email copy of BIR Form 1905 with signature and valid government issued Identification Card (ID) may be accepted by the old/previous RDO to effect such request for transfer.

10. In case of employer (Head Office or Branch) transferring to a new different RDO:

    10.1 Employees (active/currently employed) earning purely compensation income, whose registration record are the same with the RDO of their employer, shall be automatically carried by the said transferring-employer to its new RDO, except those employees whose residence address and employer's old business address are both under the jurisdiction of the same old RDO of the transferring-employer.

10.2 The transferring-employer shall require the said employees mentioned in Section II(12.1) that are earning purely compensation income to accomplish BIR Form No. 1905 (update form), and facilitate the mass transfer of employees' registration by submitting the update forms and list of said employees to the old RDO together with the request for transfer of registration (update form) of the said employers, excluding those employees who have been separated prior to the transfer.

Update of Registration Information

11. Application for any change in the registration information (BIR Form No. 1905) of an employee shall be submitted by the employee to the RDO where the employee's TIN is registered.

TIN Card Issuance

12. Application for TIN card issuance of registered employees of both LT-Employer and Non-LT Employer shall be made at the their respective RDO or local (regular) RDO where the taxpayer is registered. No application for TIN card shall be submitted to the LTAD/ELTRD/LTD-Cebu/ LTD–Davao.

13. Initial request for TIN Card issuance is free. Subsequent request for issuance due to lost/damaged TIN Card shall be charged P100.00.

14. The RDO can implement the acceptance of TIN Card application cut-off period until 1:00PM pursuant to Revenue Regulations No. 7-2012 in order to control the voluminous application for TIN Card.

15. TIN Card request of employees shall be made personally (require personal appearance) by the concerned employees as a control measure to the proper issuance of TIN Card. Only the employee himself/herself shall request and receive the TIN ID card by presenting at least one valid government issued ID upon application and release of TIN ID card. In cases where the taxpayer is not available to receive the TIN Card, a Special Power of Attorney shall be issued and submitted by the authorized representative to the Revenue District Office (RDO) that will issue such TIN card, subject to the approval of the concerned Revenue District Officer.

III. PROCEDURES

A. Revenue District Office shall:

A.1. TIN Issuance

A.1.1 If the eRegistration System is **available but Employees have similar records found in the eREG database**:

Client Support Section (CSS) shall conduct proper validation of the list of employees with printed original eRegistration System message prior to the issuance of TIN and TIN Cards, following these basic procedures:

1.1.1 Accept those employees who cannot process the TIN issuance using the eRegistration System.

1.1.2 Receive BIR Form No. 1902 of employees and/or written request of LT-Employer (where the business address is under the jurisdiction of the RDO) with the corresponding transmittal list of new employees **having similar records only**.

1.1.3 Check and validate the completeness of documentary requirements.

1.1.4 Use the eRegistration System and validate by entering the basic information of the employee and click the submit button, if the system will display a message that the employee has a similar record in the BIR database, verify using Internal Revenue Integrated System (IRIS), eREG-TIN Query or Integrated Tax System (ITS) if the employee has existing TIN.

1.1.5 Verify using the IRIS, eREG-TIN Query and/or ITS if the employee has no existing TIN.

1.1.6 Issue TIN using IRIS or ITS.

A.1.2 If the eRegistration System is **unavailable**:

1.2.1 Receive BIR Form No. 1902 of employees and/or written request of LT-Employer (where the business address is under the jurisdiction of the RDO) with the corresponding transmittal list of new employees and BIR Form No. 1902.

1.2.2 Check and validate the completeness of the documentary requirements.

1.2.3 Verify using the IRIS, eREG-TIN Query or ITS if the employee has no existing TIN.

1.2.4 Issue TIN using IRIS or ITS.

A.1.3 Manual TIN Issuance

1.3.1 Receive BIR Form No. 1902 of employees.

1.3.2 Check and validate the completeness of the documentary requirements.

1.3.3 Verify using the IRIS, eREG-TIN Query and/or ITS if the employee has no existing TIN.

1.3.4 Issue TIN using IRIS or ITS.

B.1. TIN Card Issuance
Employee's TIN record is under the RDO's jurisdiction

1.1 Monitor the TIN Card issuance by updating and encoding in the 'Nick Name' field the words "TIN Card printed" with date <mm/dd/yyyy> (e.g. TIN Card printed – 06/27/2017) to determine the date of first TIN Card issuance.

1.2 Release TIN Card of employees upon request.

IV. PENALTY PROVISIONS

1. Those employers, who are required to use the eRegistration System but instructed its new employees to visit the RDOs with photocopied alleged eRegistration System message presented, shall be imposed a penalty of P1,000.00 per employee pursuant to Section 275 of the NIRC, as amended.

2. A penalty of P1,000.00 for every instance but not to exceed P25,000.00 shall be imposed on eRegistration System users who supplied erroneous/invalid information pursuant to Section 250 of the NIRC, as amended.

V. TRANSITORY PROVISION

The registration record of existing employees who are registered with the RDO or local RDO of its employer shall be maintained and not be required to transfer its registration to the RDO having jurisdiction over the place of their residence, unless the employee will be transferring to a new employer located in a jurisdiction covered by a different RDO.

Received and pending applications for registration of employees submitted to the RDO, LTAD/ELTRD/LTD-Cebu/LTD-Davao, including those forwarded to the National Office - Data Center pursuant to RMO No. 20-2015 prior to the effectivity of this Order, shall still be processed by the concerned offices.

VI. REPEALING CLAUSE.

This Order revokes RMO No. 20-2015.

VII. EFFECTIVITY.

This Order shall take effect immediately.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

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