



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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MEMORANDUM

FOR : ALL BOC OFFICIALS AND EMPLOYEES

FROM : BIENVENIDO Y. RUBIO
Commissioner *[Signature]* JUN 05 2025

SUBJECT : GUIDELINES ON THE GRANT OF MEDICAL ALLOWANCE

DATE : 29 May 2025

Pursuant to Section 7 of Executive Order No. 64, s. 2024¹ and Department of Budget and Management Budget Circular No. 2024-6², this Bureau shall implement the following guidelines on the release, use, and monitoring of the Medical Allowance to qualified BOC officials and employees.

I. Rates and Forms of Medical Allowance**1. Rates of Medical Allowance**

- 1.1. For FY 2025, the Medical Allowance for full-time service of government officials and employees shall not exceed **Seven Thousand Pesos (PhP 7,000.00)** per annum.
- 1.2. For each subsequent year, the Medical Allowance shall not exceed the amount authorized under the pertinent general provisions in the annual General Appropriations Act (GAA).

2. Forms of Medical Allowance

- 2.1. The Medical Allowance may be granted in the following forms:
 - 2.1.1. In the form of Health Maintenance Organization (HMO)-type product³ coverage, which could be availed by either (a) government agencies concerned or (b) their respective employees' organizations/groups.

¹ Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and for Other Purposes issued on 02 August 2024

² Rules and Regulations on the Grant of Medical Allowance to Civilian Government Personnel

³ Health Maintenance Organization (HMO)-type product – refers to an agreement issued individual/family or group basis approved pursuant to Insurance Commission (IC) Circular Letter No. 2017-19 and issued by licensed HMO companies by the IC.

Such arrangement, however, is without prejudice to the preference of employees to opt out from such group purchase and individually avail of another HMO product.

2.1.2. In cash form for those who will (a) avail their own or (b) pay/renew their existing HMO-type benefit.

2.1.3. In cash form for those who paid their medical expenses, such as but not limited to hospitalization, emergency care, diagnostic tests, and medicines, due to the difficulty in acquiring HMO-product in view of the following:

- i. Their localities/communities are identified as Geographically Isolated and Disadvantaged Areas (GIDAs)⁴, as verified by the Medical and Dental Division and certified by the Commissioner and/or his/her authorized representative;
- ii. Their localities have no adequate HMO branch or office of a licensed HMO company, as certified by the head of agency; or
- iii. Application of the personnel concerned in acquiring HMO coverage has been denied by an HMO company.

2.2. In case an employee opts to continue his/her existing HMO product, the Medical Allowance shall be spent thereto provided that it will cover the fiscal year, in whole or in part, when the allowance was granted.

2.3. In cases where the HMO-type product availed is below the rate of PhP 7,000.00 Medical Allowance, the government employee shall not be obligated to refund the excess amount to the government.

II. Conditions and Guidelines on the Grant of Medical Allowance

1. Employees who are occupying regular, contractual, or casual positions, and who have been in government service and are to render services for an aggregate of six (6) months in a particular fiscal year including leaves of absence with pay, as well as those services rendered under

⁴ Geographically Isolated and Disadvantaged Areas (GIDAs) – refer to communities/areas which are specifically disadvantaged due to the presence of both physical (refers to characteristics that limit the delivery of and/or access to basic health services to communities that are difficult to reach due to distance, weather conditions, and transportation difficulties) and socio-economic (refers to social, cultural, and economic characteristics of the community that limit access to and utilization of health services factors)

any of the alternative work arrangements prescribed by the Civil Service Commission, are covered by the subject Medical Allowance. *

2. Further, a newly hired employee may also qualify for the grant of Medical Allowance after rendering six (6) months of service.
3. For transferred employees:
 - 3.1 An employee who transferred from another agency to the BOC within the year and was not granted Medical Allowance by his/her former agency shall be granted Medical Allowance by the BOC, subject to the submission of a certification to that effect.
 - 3.2 An employee who transferred from another agency to BOC within the year but was earlier granted Medical Allowance by his/her former agency shall no longer be granted Medical Allowance by the BOC.
4. Employees detailed in another government agency shall be granted Medical Allowance by their mother agency, while those on secondment shall be paid by the recipient agency.
5. A compulsory retiree, whose services have been extended, may be granted Medical Allowance, subject to the conditions under DBM BC No. 2024-6 dated 12 December 2024.
6. For employees charged administratively and/or criminally:
 - 6.1 Employees formally charged with administrative and/or criminal cases, which are still pending for resolution, shall be entitled to Medical Allowance until found guilty by final and executory judgment, provided that:
 - 6.1.1 Employees found guilty shall not be entitled to the Medical Allowance in the year of finality of the decision and shall refund the amount received for that year; and
 - 6.1.2 Employees penalized only with a reprimand shall be entitled to Medical Allowance.
7. For employees on Study leave or Study/Training/Scholarship Grant:
 - 7.1 An employee on study leave or on study/training/scholarship grant, whether locally or abroad, shall be entitled to the grant of Medical Allowance for the year if he/she renders at least six (6) months of service in the same year, including leaves of absence with pay, prior to and/or after the study leave or study/training/scholarship grant.

- 7.2 Employees on study/training/scholarship grant for the entire year, whether locally or abroad, shall not be entitled to the Medical Allowance.

III. Fund Sources

The amount required for the grant of the Medical Allowance shall be charged against the available Personnel Services (PS) allotment of the BOC. In case of deficiency, the amount required may be charged against the Miscellaneous Personnel Benefits Fund and any other available appropriations under the annual GAA, subject to budgeting, accounting, and auditing rules and regulations.

IV. Reportorial Requirements

1. All government officials and employees who have been provided with Medical Allowance shall submit proof of enrollment with an HMO provider, such as but not limited to:
 - 1.1 Certified copy of the HMO agreement and identification card issued by the HMO provider;
 - 1.2 Certification of membership issued by the HMO provider; or
 - 1.3 Official receipt for the payment of membership fee for the HMO product acquired.
2. The BOC shall submit to the DBM's Budget and Management Bureau or Regional Office concerned not later than one (1) month after every fiscal year, the annual report on the grant of the Medical Allowance using the prescribed template in "Annex A."

V. Responsibility of the Offices Concerned

The Internal Administration Group, in coordination with the Administrative Officers bureau-wide, shall gather feedback from the officials and employees to ensure effective implementation of the subject benefit, and to serve as inputs in the review and/or further improvement of the issued guidelines on Medical Allowance every three (3) years reckoned from the issuance of this Memorandum, in accordance with existing laws, rules and regulations.

VI. Effectivity

This Memorandum shall take effect immediately and shall remain enforced until revoked.