



Republic of the Philippines
Department of Education
REGION X
SCHOOLS DIVISION OF LANA DEL NORTE

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Office of the Schools Division Superintendent

June 20, 2023

DIVISION MEMORANDUM
No. 296, s. 2023

**RELEASE OF SPECIAL HARDSHIP ALLOWANCE 2023 AND
IT'S TAX ADJUSTMENT FOR CY 2023**

To: ALL TEACHING AND NON-TEACHING PERSONNEL
This Division

1. The special hardship allowance is in accordance to the Department of Budget Management (DBM)-Department of Education (DepEd) Joint Circular No. 1, s. 2021 titled **"Revised Guidelines on the Grant of the Special Hardship Allowance (SHA)"**, which not only improves the processes and procedures for availing of the said allowance in consonance with the intention of Republic Act No. 4670 or the **Magna Carta for Public School Teachers**. The release of SHA is in accordance also to DepEd Order No. 039, s. 2021 dated September 22, 2021 **"Guidelines on the Provision of Special Hardship Allowance for Public School Teachers"**.

2. Here are some points for reference:

- a. The following public school teachers are eligible for the provision of Special Hardship Allowance (SHA):
 - i. All teachers in elementary and secondary schools in hardship post as determined by the hardship index (Annex A, Source of data: EBEIS SY 2019-2020);
 - ii. Multi-grade teachers in pure multi-grade schools;
 - iii. Mobile teachers, and Alternative Learning System (ALS) Coordinators concurrently handling ALS classes; and
 - iv. School heads assigned in hardship post or pure multi-grade schools.
- b. Eligible DepEd personnel shall be provided with SHA equivalent **to twenty five percent (25%) of their monthly basic salary**, computation of which shall be reckoned from the first day of their assignment to hardship post/MG schools.
- c. The individual SHA amount **shall depend on the qualified personnel's salary grade level and corresponding step increment as well as the number of actual days the personnel is physically present in the school / learning center**. The Daily Time Record (DTR) or any attendance and monitoring form, as



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prescribed by applicable policies, approved by the Head of Office shall serve as basis for the attendance of the personnel.

3. While the special hardship allowance is being given to selected personnel as identified by the circular, it is defined under the Tax Reform for Acceleration and Inclusion (TRAIN) Law as "other benefits subject to the 90,000 threshold." This is in accordance to **Revenue Regulation (RR) No. 11-2018** dated January 31, 2018, amending Certain Provisions of RR No. 298, as amended, to implement further amendments introduced by RA No. 10963, otherwise known as the **"Tax Reform for Acceleration and Inclusion (TRAIN)"**. Stated in **Section 7 of RR No. 11-2018** "Every employer must withhold from compensation paid an amount computed in accordance with these Regulations, whether the employee is a citizen or an alien, except non-resident alien not engaged in trade or business. Provided, that no withholding of tax shall be required on the SMW, including holiday pay, overtime pay, night shift differential and hazard pay of MWEs in the private/public sectors as defined in these Regulations. Provided, further, that an employee who receives additional compensation such as commissions, honoraria, fringe benefits, benefits in excess of the allowable statutory amount of ₱90,000.00, taxable allowances and other taxable income other than the SMW, holiday pay, overtime pay, hazard pay, and night shift differential pay, shall be taxable only on such additional compensation received".
4. It is therefore proper that this division shall integrate the benefits and withhold the proper taxes, if any, in the gross compensation received by the employees for CY 2023.
5. The division shall directly withhold fifteen percent (15%) tax on the SHA and include the same on the annual income tax return of the employees concerned. Necessary adjustments for tax payable or tax refund will be reflected during adjusting period (October-December 2023 and January 2024).
6. Immediate dissemination of this memorandum is directed.

EDWIN R. MARIBOJOC, CESO V
Schools Division Superintendent

[Signature]
4/12/23



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