



## ECONOMIC AND FINANCIAL LEARNING PROGRAM 2023

Bringing the BSP closer to the Filipino People

### *Our Speakers*



**Danielle M. Tonel**

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Bangko Sentral ng Pilipinas



**Chris-John C. Capili**

Member, PERA Working Group  
Bangko Sentral ng Pilipinas

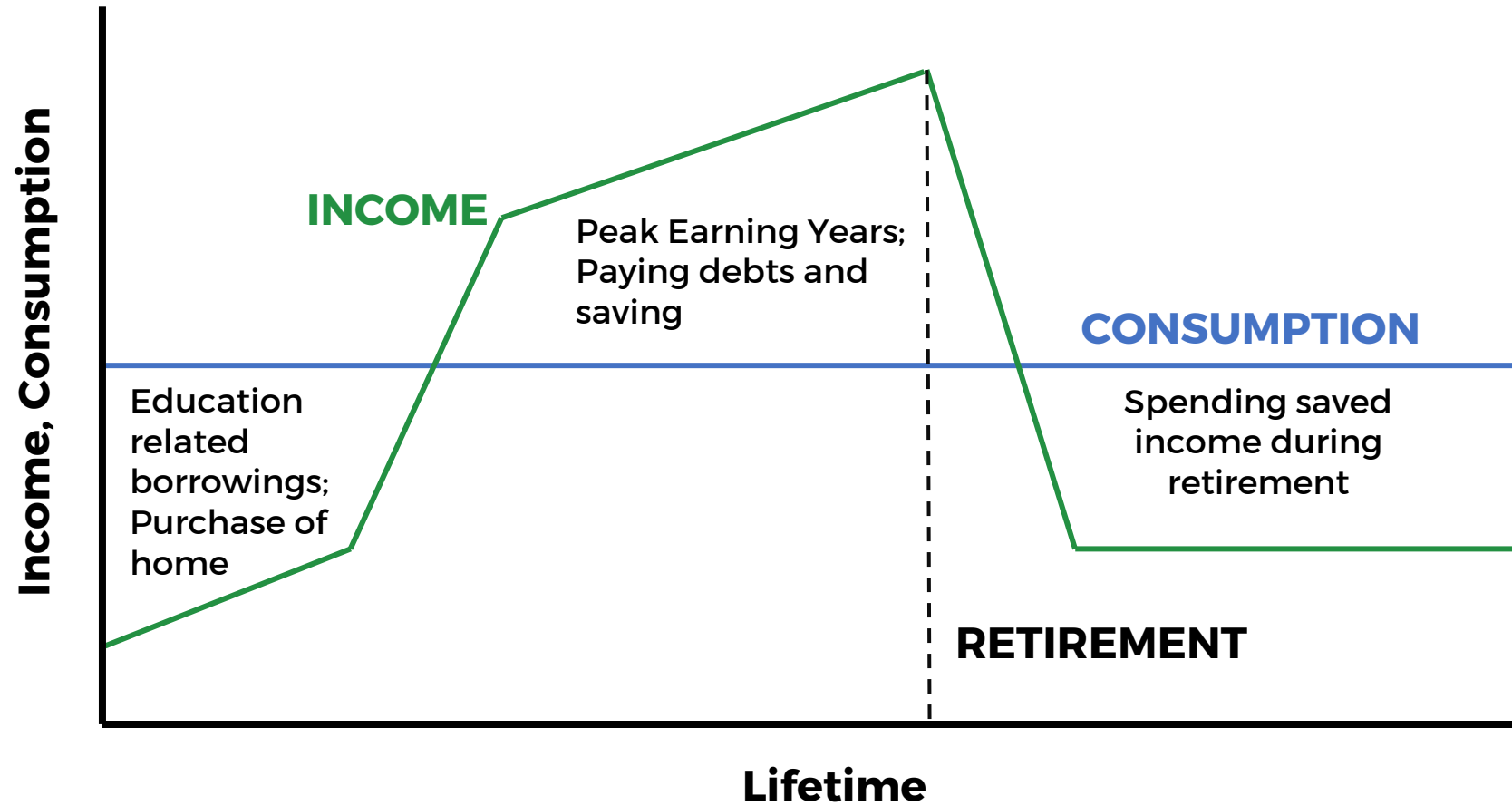


What You Will Learn:



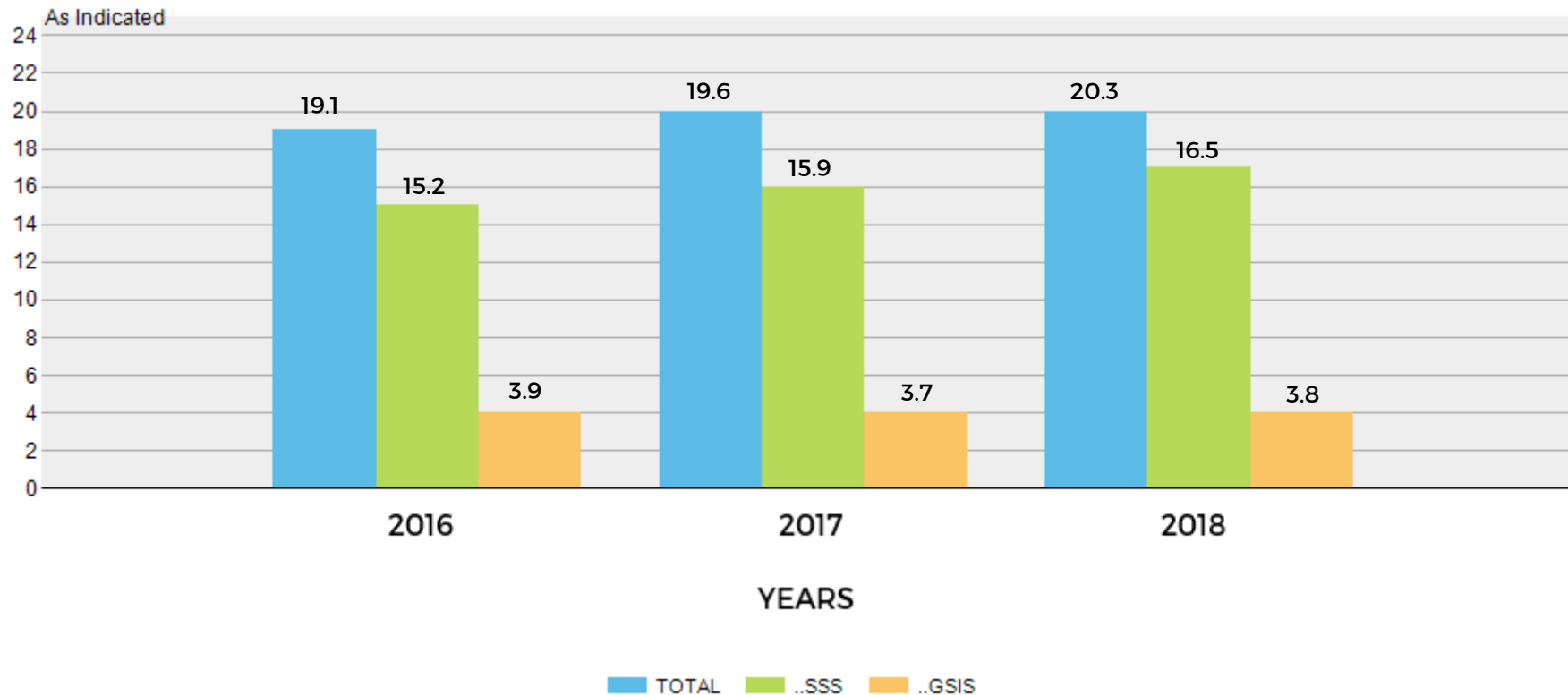
**Securing Your  
Future: Investing in  
Personal Equity  
and Retirement  
Account (PERA)**

# Life Cycle Hypothesis



Source: C. Mina and F. Cacnio (2019). *Are Filipino Senior Citizens Financially Protected?: Evidence from Consumer Finance Survey*  
Modigliani and Brumberg, 1954

# % Share of Population Aged 60 & Above Benefitting from Retirement/Old Age Pension



Average monthly pensions received by pensioners in 2018:

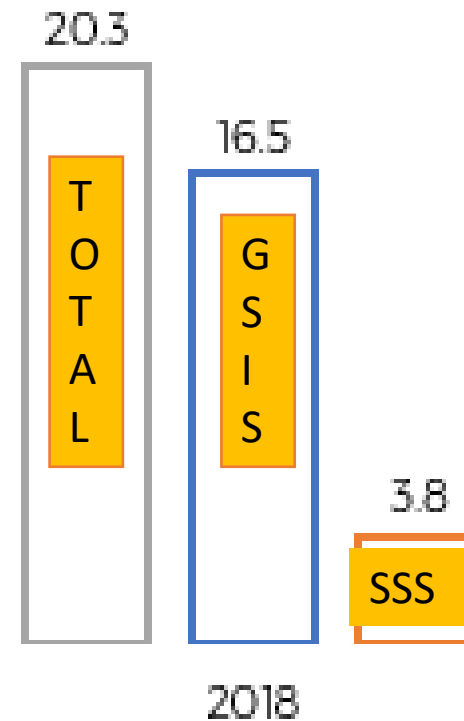
**SSS - ₱4,984**  
**GSIS - ₱13,379**

Source: Philippine Statistics Authority (2019). Decent Work Statistics (DeWS)-  
Philippines Publication Tables 1995-2018



# Is SSS and GSIS enough?

- Only 20.3 % or around 1.5 million of senior citizens is covered by pension



Average monthly pensions received by pensioners in 2018:

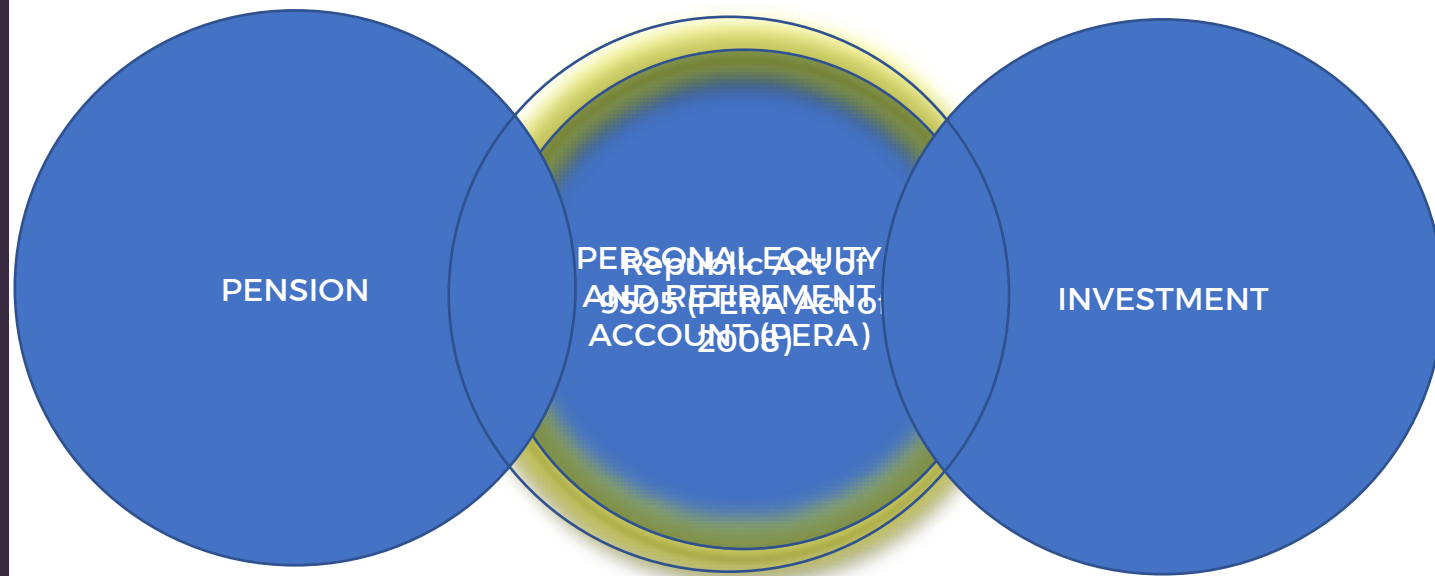
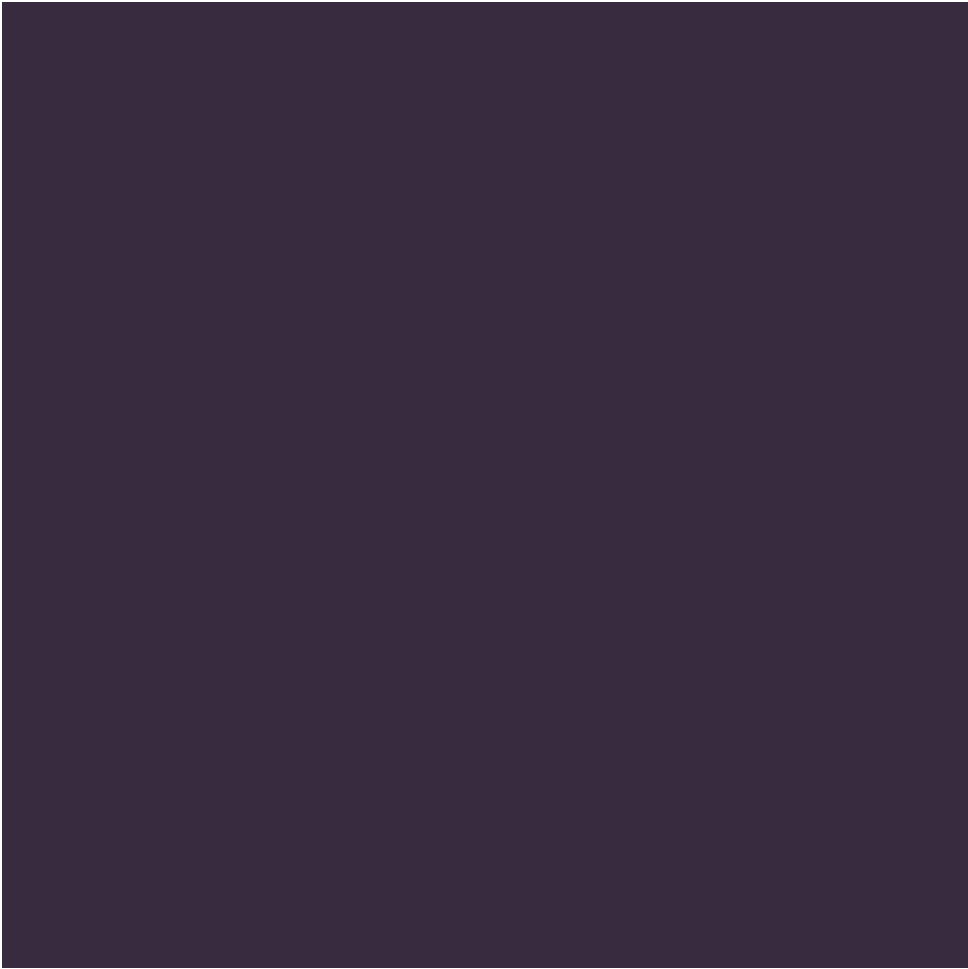
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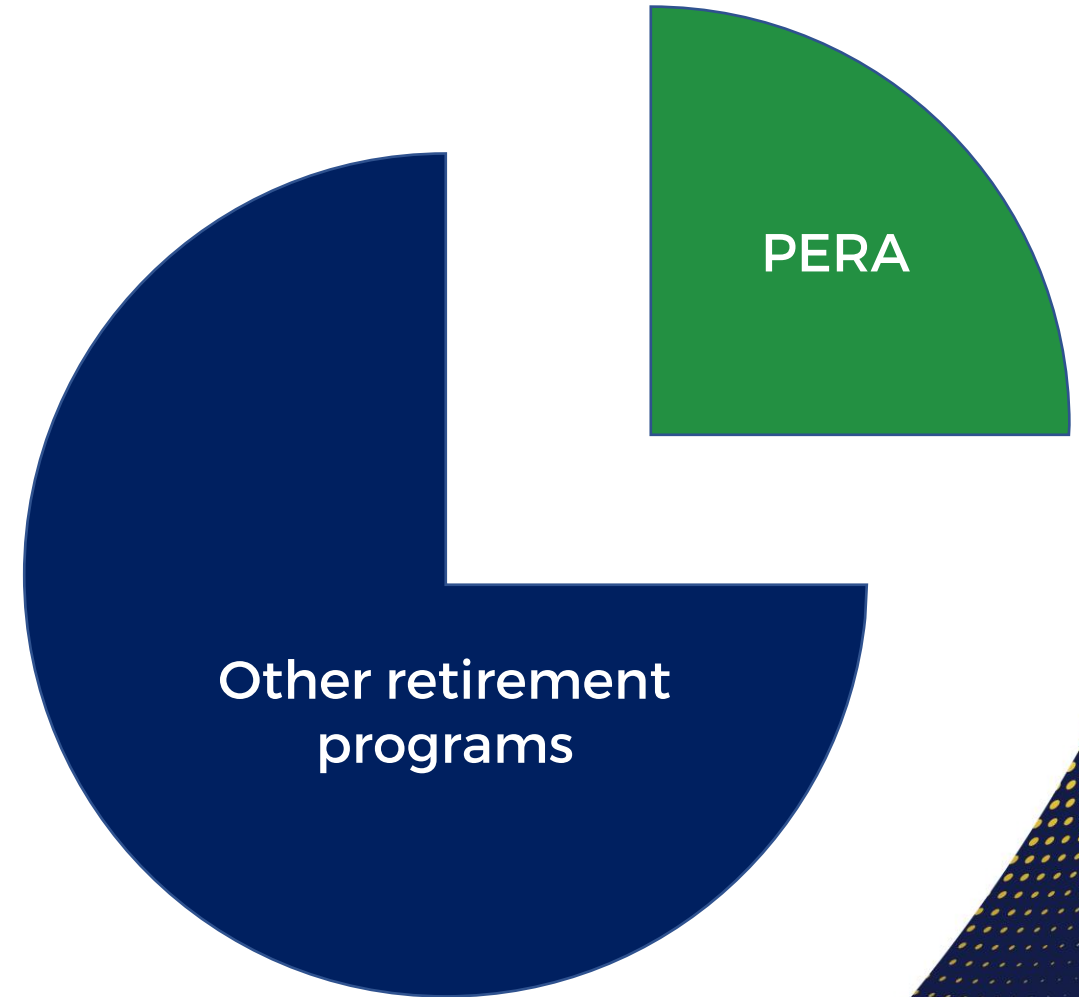
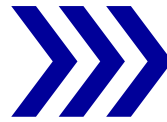
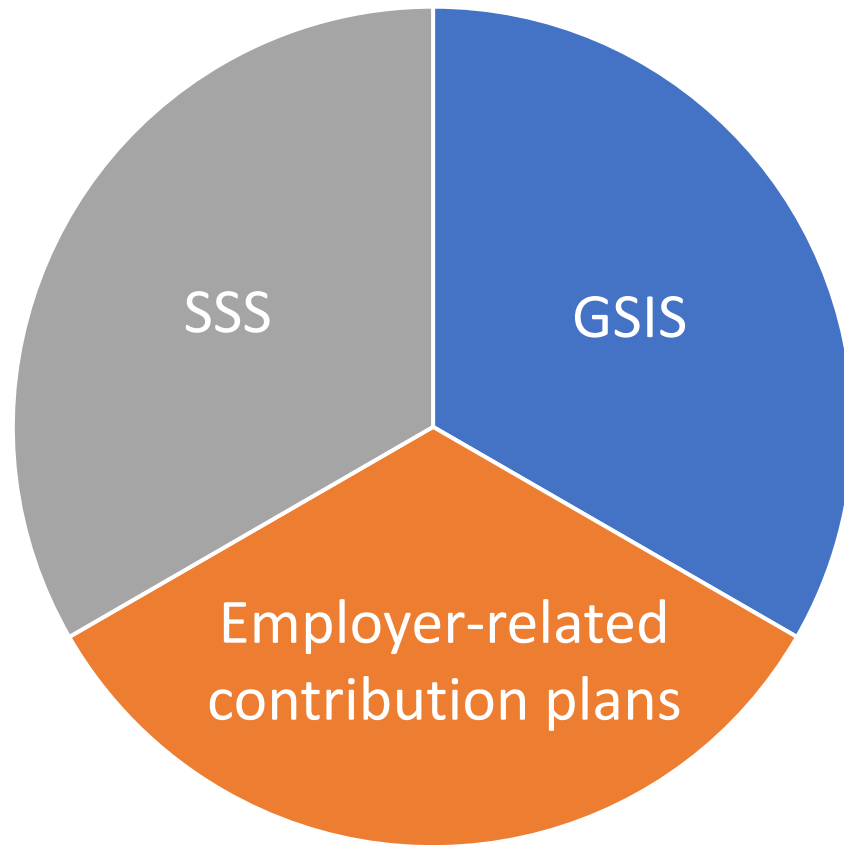
# Why invest in PERA?

**Hindi sapat** ang naiipong retirement savings para sa mga pangangailangan sa pagtanda

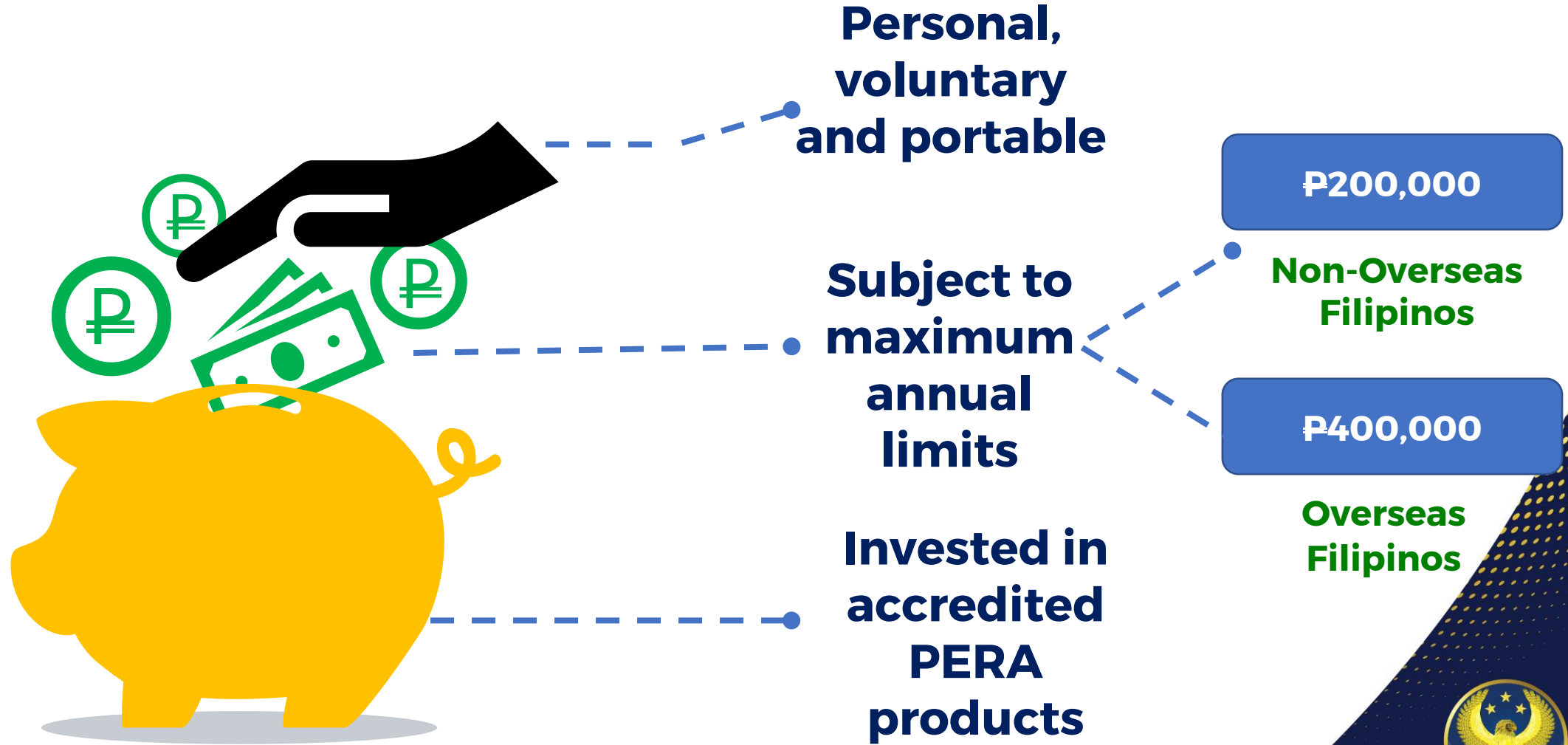




# What is PERA?



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# Who are the qualified contributors?

## Employed/Self-employed



Legal age



TIN

## Overseas Filipinos (OFs)\*



Filipino citizens living or deriving income abroad

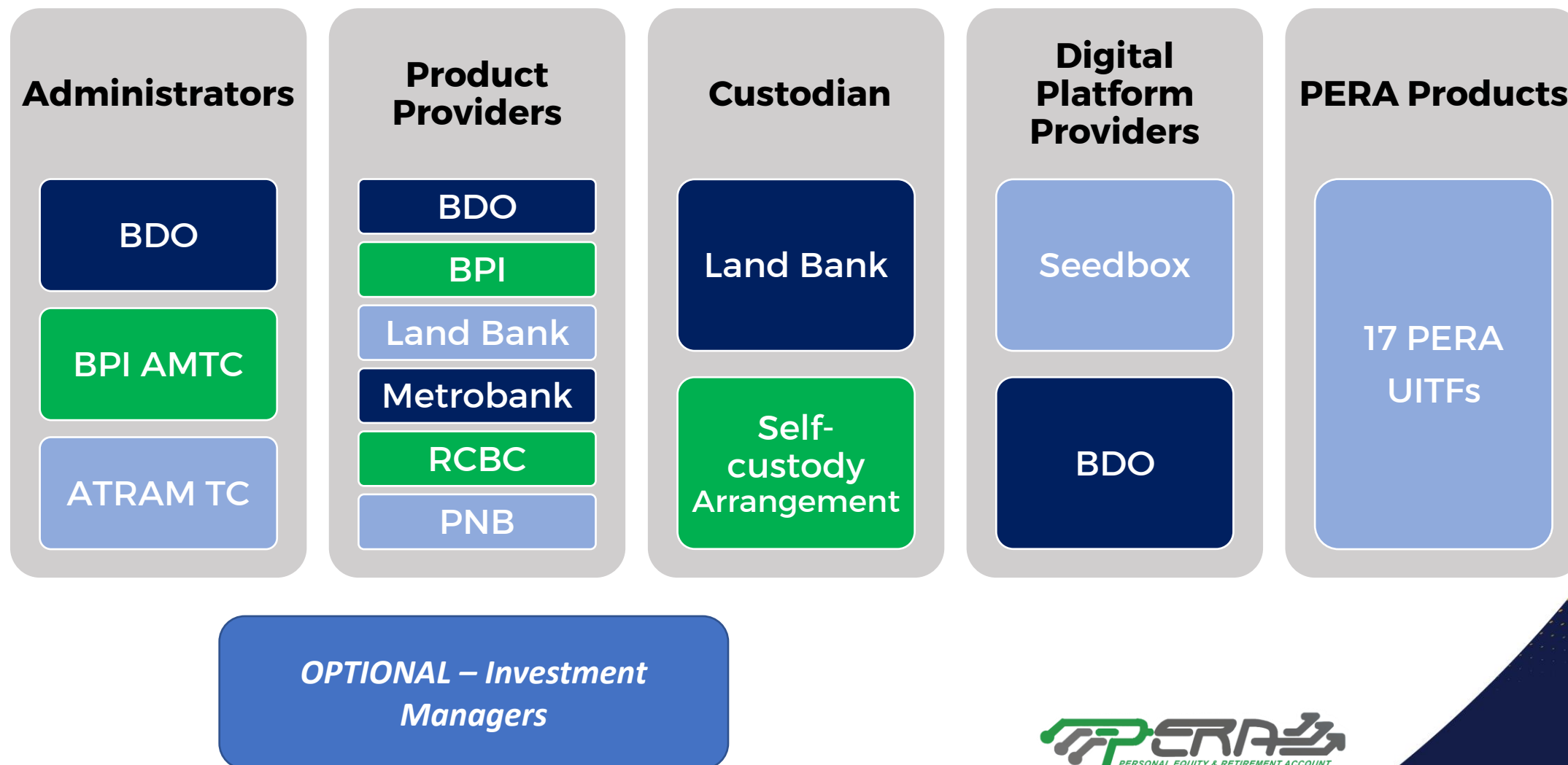


Have retained or reacquired their Filipino citizenship

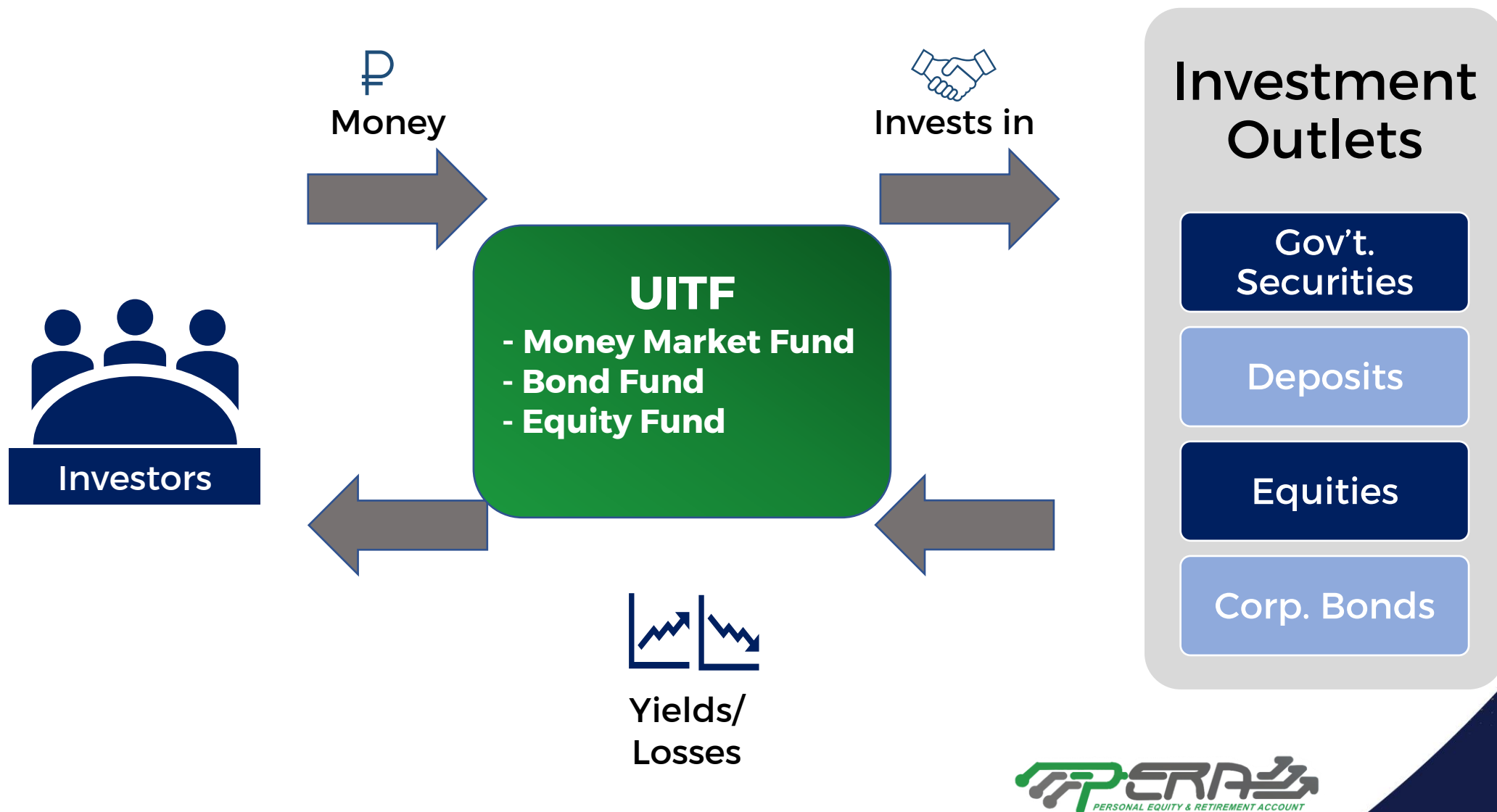
*\*Spouse and children of OF may open a PERA on behalf of the OF*



# Existing PERA Market Participants



# How do we earn in PERA?



# Other allowed PERA securities (soon!)

**Government Securities (e.g., Treasury Bills and Treasury Bonds)**

**Securities issued by the Bangko Sentral ng Pilipinas (BSP) Bills**

**Corporate Bonds with an investible rating issued by an accredited Credit Rating Agency (e.g., Non-bank Issued Corporate Securities- Commercial Papers and Enrolled Securities- Corporate Bonds)**

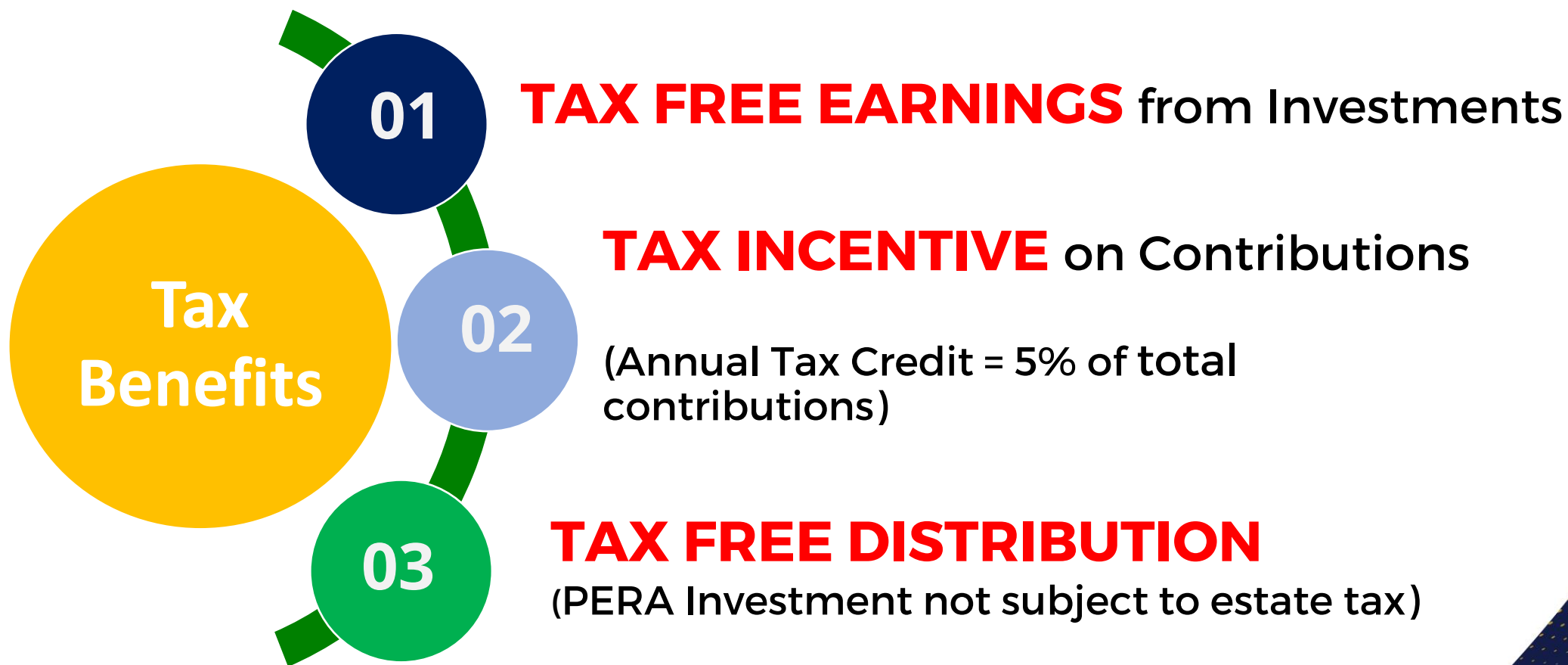
**Corporate Bonds issued by Banks in compliance with the requirements of the BSP (e.g., LTNCTD, TIER2, Bank Bonds, Digital Bond)**

**REIT Shares**

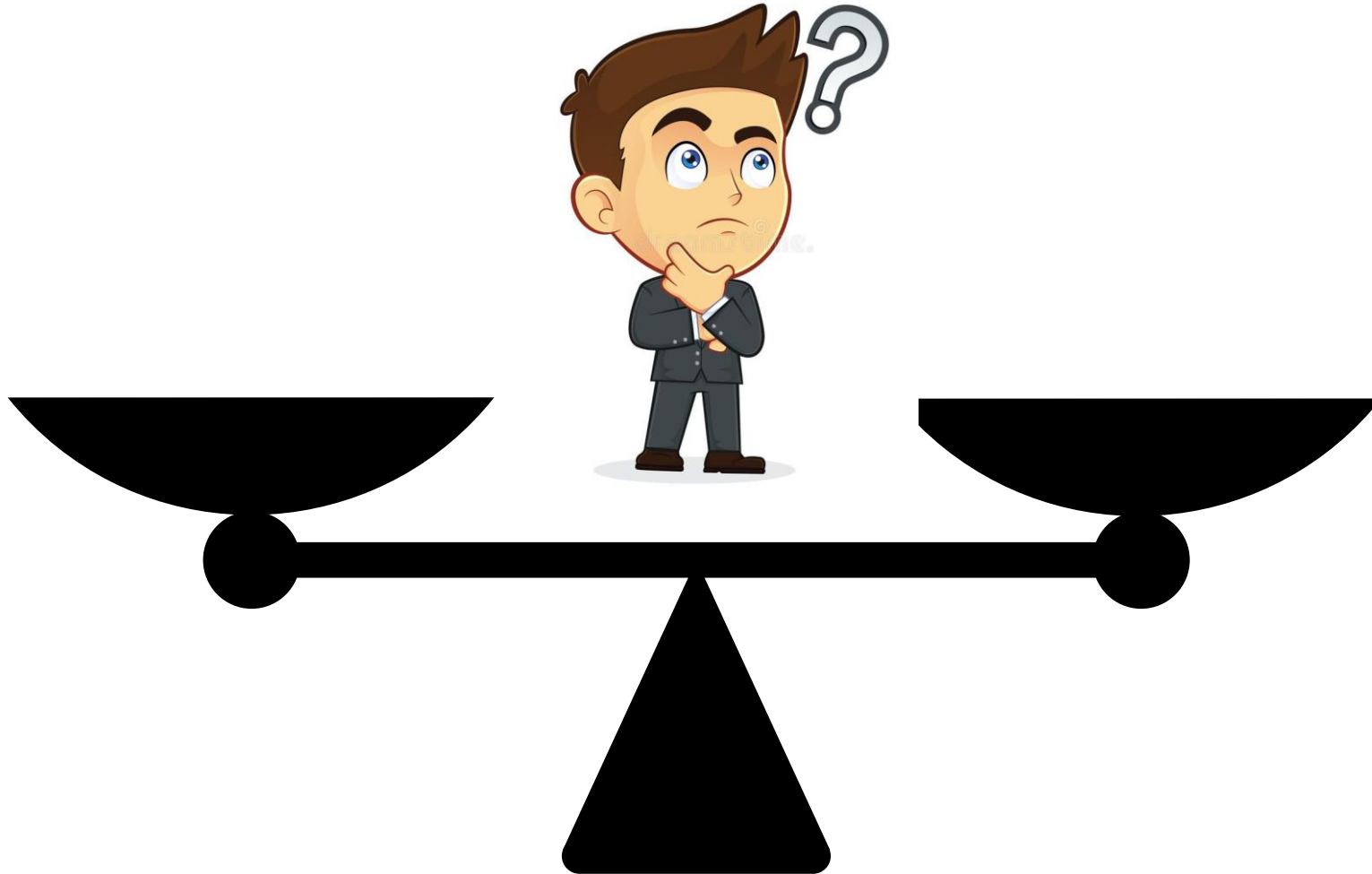
**PSE Dividend Yield Index Securities (as of February 2023)**

**PSEi constituents/shares that are compliant with the PERA requisites of being non-speculative, readily marketable and with a track record of regular income payment to investors (as certified by PSE on 01 February 2023)**

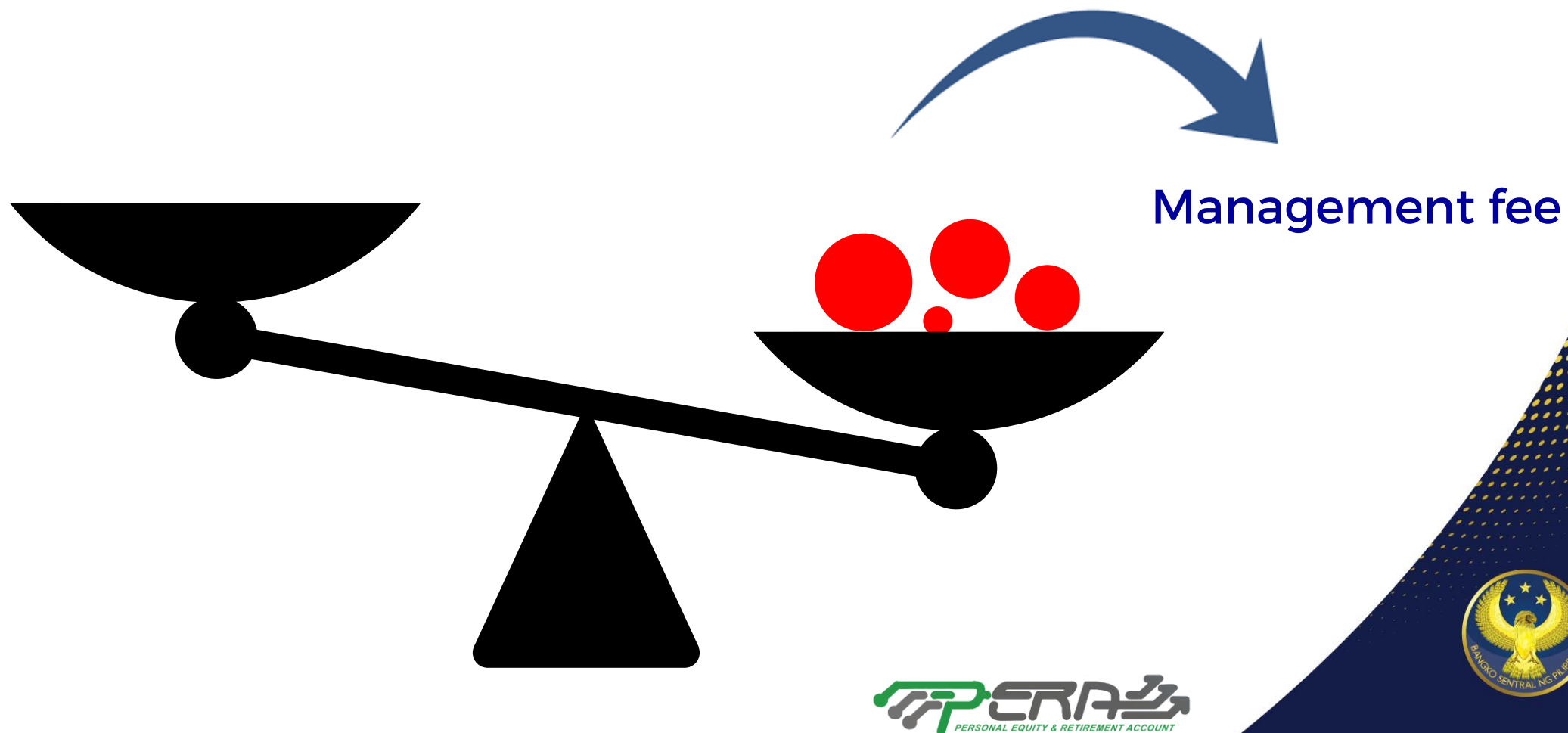
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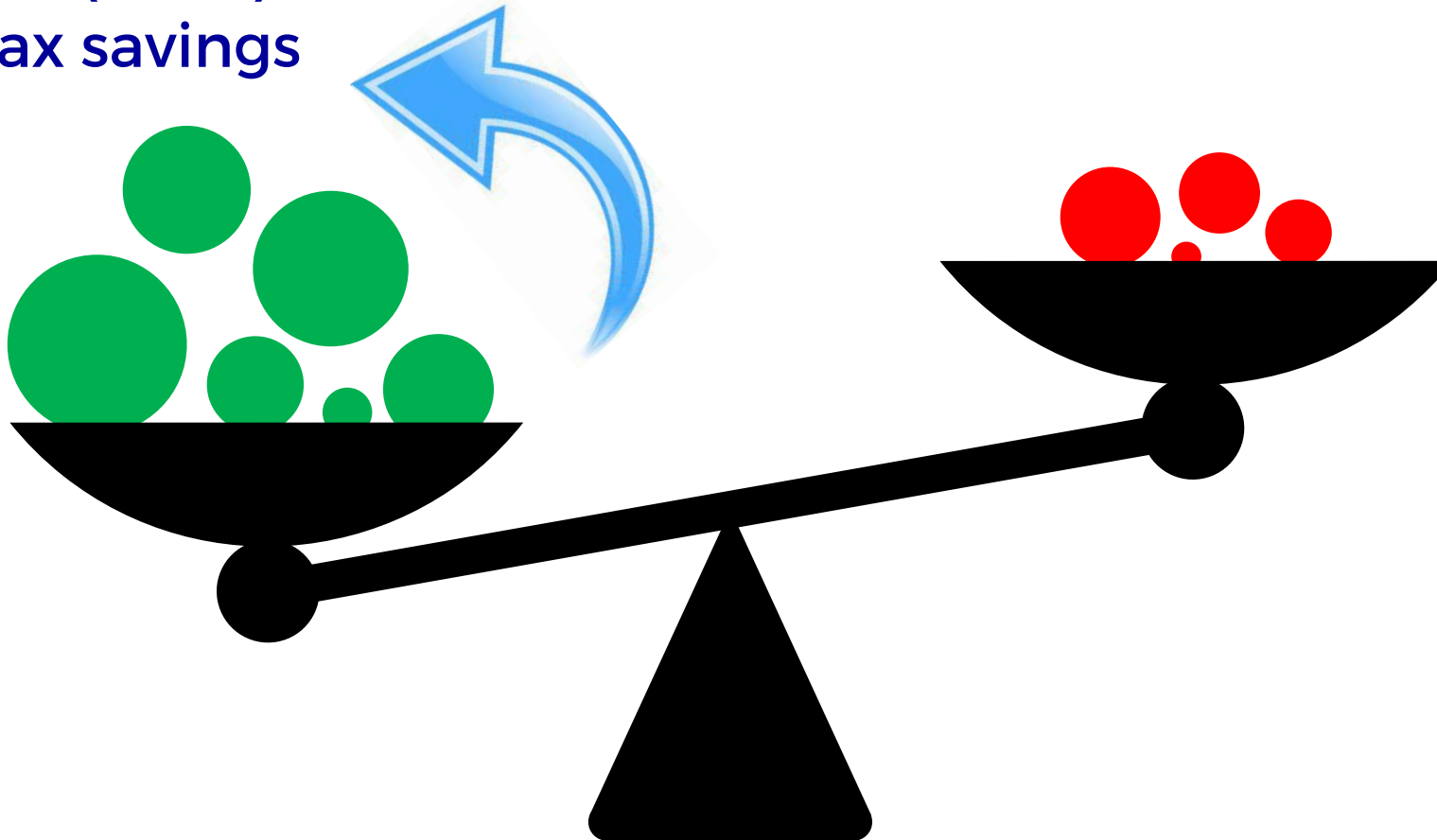



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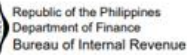
# Why invest in PERA?

- ✓ Income tax exemption (20.0%)
- ✓ Tax credit (5.0%)
- ✓ Estate tax savings





**Sample  
TCC**



December 2020

PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)  
TAX CREDIT CERTIFICATE (TCC)

This PERA-TCC is hereby issued to:

Name of Taxpayer: JOSEPH A TANO

Taxpayer Identification Number (TIN): [REDACTED]-000

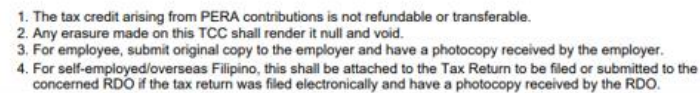
Address: PARANAQUE CITY, METRO MANILA

This entitles the abovementioned taxpayer to a tax credit in the amount of FIVE THOUSAND PESOS (P 5,000.00) representing five percent (5.0%) of his/her PERA contributions made for the calendar year 2020, which can be allowed to be credited against:

- ☒ Income tax liability only, for the taxable year 2022
- ☐ Any national internal revenue tax liabilities excluding contributor's withholding tax liabilities as withholding agent (for Overseas Filipino)

pursuant to Section 7(A) of Revenue Regulations (RR) No. 17-2011.

Issued this 17 day of MAY, 2022.



050-2020-2337-ER00322-1



# PERA Benefits: Illustration ONLY

## Comparison with non-PERA UITF



*Contribution*

**₱200,000/yr**

*Investment Horizon*

**30 years**

*Investment income*

**₱10,000**

*Tax rate*

**20%**

Total PERA Benefits over non-PERA UITF >>>> **₱ 3.423 M**

Higher Fund Value – ₱2.286 M

Total Tax Credit – ₱ 300.0k

Estate tax savings – ₱ 837.0k

	PERA UITF
Management Fee	0.5% - 1.25% of contributions* o P500 - P1,250 sa bawat P100,000

# Comparative Fees, illustration

- Tax benefits arising from PERA are more than sufficient to cover the fees paid for PERA

	PERA UITF	Non-PERA UITF
Management Fee	0.5% - 1.25% of contributions*	0.25% – 1.0% of contributions

*\* May be shared by the PERA Admin and Product Provider*

**Contribution: P 200,000.00, 5% income**

	PERA UITF	Non-PERA UITF
Management fee	₱ (2,500)	₱ (2,000)
Tax exemption (20% of income)	2,000	None
Tax credit	10,000	None

# When can PERA Contributions be withdrawn?

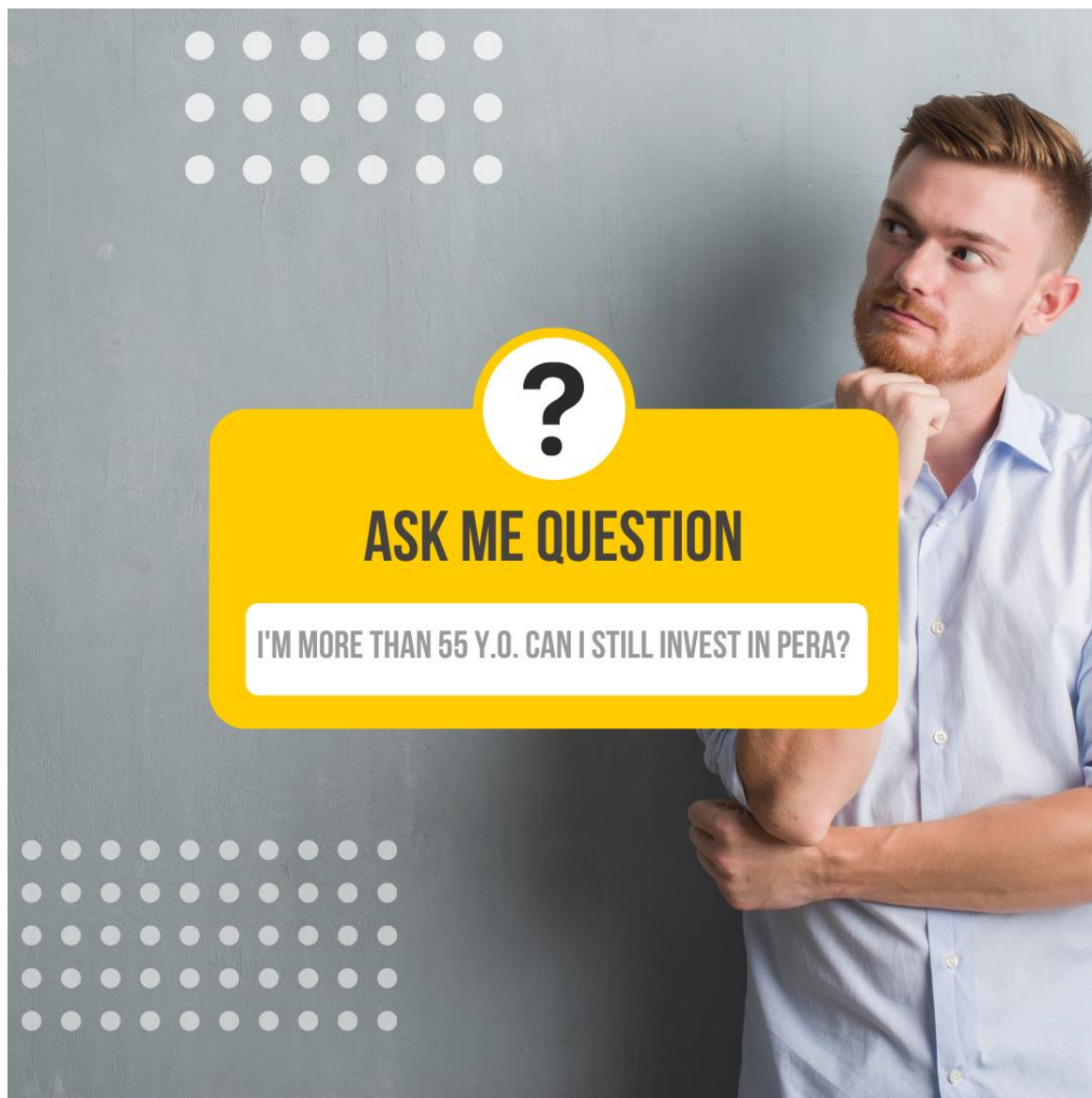
## 55/5 RULE

Contributor should be **55 YEARS  
OLD OR ABOVE**

**AND**

Contribution made for **AT LEAST  
5 YEARS**





**YES!**

# Early withdrawal penalties

✗ Tax incentives enjoyed

✗ Penalty



Returned



# 55/5 Rule - Exceptions



Accident or illness-related hospitalization > 30 days



Permanent disability



Death



Transfer of account or assets

No early  
withdrawal  
penalties

# What's new with PERA?



*Financial Security for the Elderly*



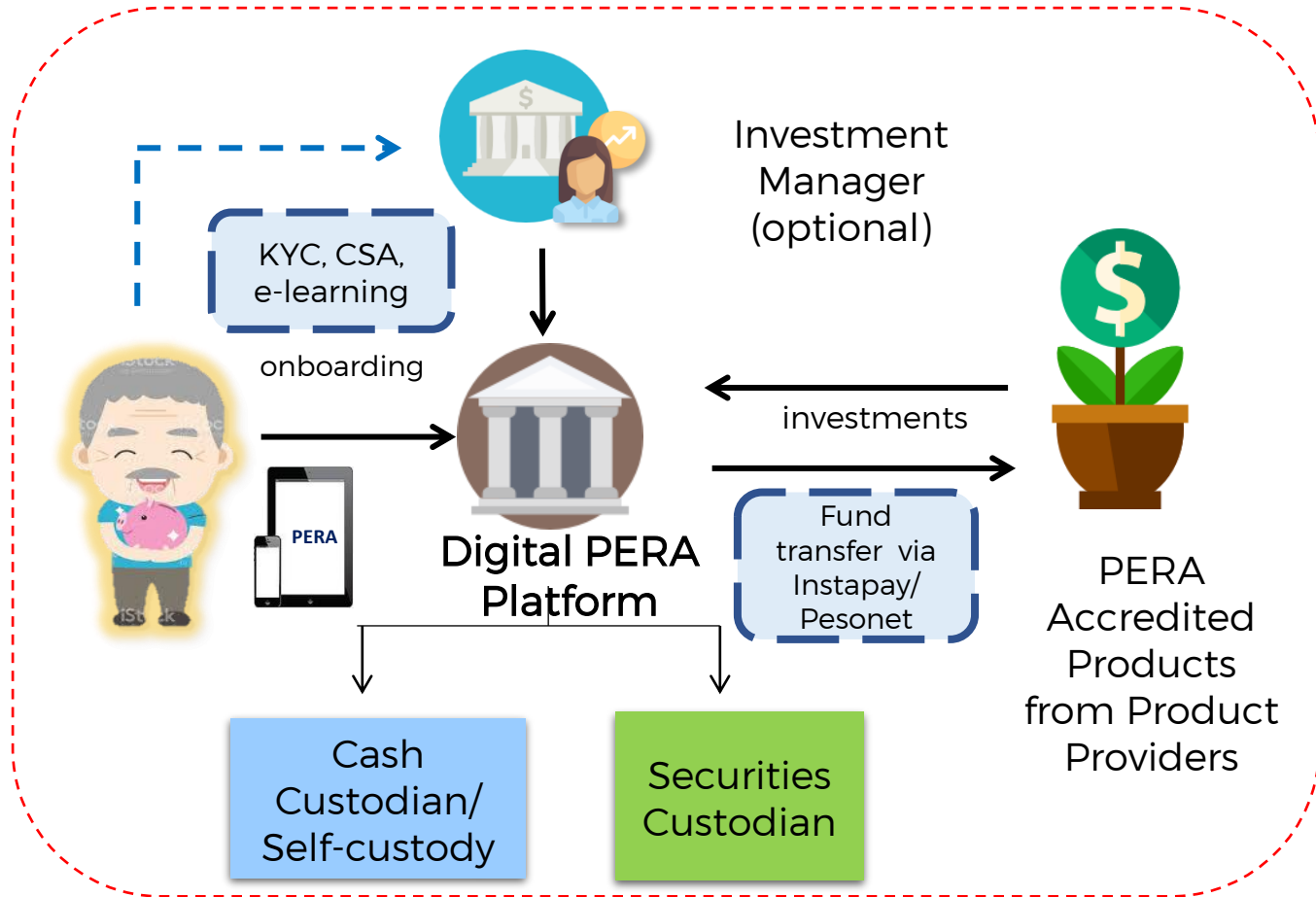
*Financial Freedom for their Family*



**Digital PERA: A Bridge Towards A Financially-Secured Future**



# How can I open a PERA?



Securities  
and  
Exchange  
Commission  
PHILIPPINES



# What do I need to present?

## VALID ID



## TAX IDENTIFICATION NUMBER (TIN)



# Required documents for opening PERA

## For Overseas Filipinos (OFs)

- ✓ Overseas Employment Certificate issued by the POEA; **OR**
- ✓ Proof of continuing status as an OF:
  - Current employment certificate from existing employer;
  - Original copy/certified true copy of existing employment contract;
  - Valid employment identification card issued by employer abroad;
  - Copy of work permit/visa or re-entry permit; or
  - Sworn Certification made before a Philippine Consul.

# PERA-related websites

## Digital Platform Providers:

Seedbox -> <https://pera.seedbox.ph>

BDO - > <https://online.bdo.com.ph>

## PERA Administrators:

ATRAM -> <https://www.atram.com.ph>

BDO - <https://www.bdo.com.ph/PERA/requirements>

BPI -> [PERA \(Personal Equity & Retirement Account\) \(bpiassetmanagement.com\)](https://bpiassetmanagement.com)



