



REPUBLIC OF THE PHILIPPINES  
PROVINCE OF PANGASINAN  
**MUNICIPALITY OF CALASIAO**

**EXECUTIVE ORDER NO. 37**  
*Series of 2025*

**ADOPTING THE GUIDELINES IN THE IMPLEMENTATION OF  
RULES AND REGULATIONS ON THE GRANT OF MEDICAL  
ALLOWANCE TO CIVILIAN GOVERNMENT PERSONNEL  
OF THE LOCAL GOVERNMENT UNIT OF CALASIAO**

**WHEREAS**, Executive Order No. 64 Series of 2024 was issued by His Excellency granting medical allowance to civil government personnel including the personnel of the LGU Calasiao, Pangasinan;

**NOW THEREFORE, I, KEVIN ROY Q. MACANLALAY**, by virtue of the powers vested in me by law hereby adopt Executive Order No. 64 Series of 2024 and thus order the following:

1. **BACKGROUND**

Pursuant to Executive Order (EO) No. 64, s 2024 and Budget Circular 2024 – 6, all qualified government civilian personnel shall be entitled a grant of Medical Allowance in an amount not exceeding Seven Thousand Pesos (₱7,000.00) per annum as a subsidy to avail of health maintenance organization (HMO) – type benefits, subject to budgeting, accounting and auditing laws, rules and regulations.

2. **PURPOSE**

These guidelines shall be issued to serve as internal policy and reference for the provision of Medical Allowance to local government employees to subsidize their availment of health maintenance organization (HMO) – type benefits.

3. **SCOPE**

These guidelines apply to all local government employees regardless of appointment status, whether regular, casual, or contractual; appointive or elective; and on full-time or part-time basis.

4. **DEFINITION OF TERMS**

- 4.1. HMO Provider – refers to a juridical entity legally organized to provide or arrange for the provision of pre-agreed or designated health care services to its enrolled members for a fixed pre-paid fee for a specific period of time;
- 4.2. HMO – type product – refers to an agreement issued on individually/ family or group basis approved pursuant to Issuance Commission (IC) Circular Letter No. 2017 – 19 and issued by duly licensed HMO companies by the IC;
- 4.3. Full-time service employee – refers to the employee of the local government who is required to render a standard work schedule of at least 8-hours a day for 5 days or an equivalent of 40 hours per week, signifying their full commitment to the job;
- 4.4. Part-time service employees – refers to the employee of the local government who renders four (4) hours of work, five (5) days a week or a total of 20 hours a week;



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- 4.5. Medical services – are preventive and curative services provided by licensed doctors and diagnostics personnel such as but not limited to medical technologists, radiologists, and sonologists;
- 4.6. Drugs and medicines – any substance other than food that is used to prevent, diagnose, treat, cure or relieve the symptoms, cause and impact of a sickness, ailment, disease, disorders or abnormalities;
- 4.7. Medical supplies and equipment – an article, instrument, apparatus or machine that is used in the prevention, diagnosis or treatment of illness or disease, or for detecting, measuring, restoring, correcting or modifying the structure or function of the body for some health purpose.

5. **EXCLUSIONS**

The following are excluded from coverage of these guidelines:

- 5.1. Local government unit officials and employees who are already receiving HMO- based health care services by virtue of special laws or those enjoying HMO-type packages provided through prior government benefits;
- 5.2. Those hired without employer-employee relationships and funded from non-Personnel Services (PS) appropriations/ budget, as follows:
  - 5.2.1 Consultants and experts hired for a limited period to perform specific activities or services with expected outputs;
  - 5.2.2 Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
  - 5.2.3. Student laborers and apprentices; and
  - 5.2.4. Individuals and groups of people whose services are engaged through job orders, contract of service, or others similarly situated;
  - 5.2.5. Regular employees whose compulsory retirement date will be from January 1 to June 30;
  - 5.2.6. Casual employees and contractual employees whose services are expected to discontinue before the completion of 6 months;
  - 5.2.7. Regular, contractual and casual employees who are expected to resign or transfer, hence, will not be able complete the six (6)-month minimum period to avail the Medical Allowance.

6. **RATES OF THE MEDICAL ALLOWANCE**

- 6.1. For the FY 2025, the Medical Allowance for full-time service of government personnel shall be ₱7,000.00 per annum;
- 6.2. For each subsequent year, the Medical Allowance shall not exceed the amount uthorized under the Approved Annual Budget and Annual Investment Program (AIP);





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- 6.3. The Medical Allowance per annum for part-time service shall be in direct proportion to the Medical Allowance for full-time service.

For example, the Medical Allowance for part-time service in FY 2025 shall be computed as follows:

If employed on a part-time basis with other government organization or agencies, an employee shall be entitled to proportionate amounts corresponding to the services in each organization or agency, provided that the total Medical Allowance shall not exceed the authorized amount.

7. FORMS AND OTHER DETAILS OF THE MEDICAL ALLOWANCE

- 7.1. The Medical Allowance shall be granted through cash and shall be given not earlier than the 19th day of March of every year starting C.Y. 2025;
- 7.2. The Department Heads shall submit to the HR a list of employees under their department who have existing HMO-type product coverage or benefit (see ANNEX A-1 & A-2);
- 7.3. 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;
- 7.4. In cases where the HMO – type product availed is below the rate of ₱ 7,000.00 Medical Allowance, the local government employee shall not be obligated to refund the excess amount to the government.

8. CONDITIONS AND GUIDELINES ON THE GRANT OF MEDICAL ALLOWANCE

The grant of the Medical Allowance shall be subject to the following conditions:

- 8.1. The local government employee is occupying regular, contractual or casual positions;
- 8.2. The personnel are already in the local government service and are to render services for at least a total or an aggregate of six (6) months of service in a particular fiscal year, including leaves of absence with pay, as well as those services rendered under any of the alternative work arrangements prescribed by the Civil Service Commission;
- 8.3. A newly-hired employee may qualify for the grant of the Medical Allowance after rendering a continuous six (6) months service;
- 8.4. Casual and contractual employees may receive their Medical Allowance after their employment have been renewed after six (6) months service;
- 8.5. For Transferred Employee:
- 8.5.1. An employee who transferred to the local government and was not granted Medical Allowance by the former agency/ unit shall be granted Medical Allowance by the local government, subject to the submission of a certification to the effect;





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- 8.5.2. An employee who transferred to the local government within the year but was earlier granted Medical Allowance by the previous agency/ unit shall no longer be granted by the local government;
- 8.5.3. An employee who received less than the amount of Medical Allowance of ₱7,000.00 from his/her former agency or unit, may claim for the difference of the said allowance provided that he/she attaches his/her copy of pay slip, payroll or voucher or a certification from the former agency or unit showing the amount received within the fiscal year;
- 8.6. The Medical Allowance of an employee on detail to another government agency or unit and those on secondment to the local government shall be granted by the local government;
- 8.7. A compulsory retiree, whose services have been extended, may be granted the Medical Allowance, subject to the pertinent conditions and guidelines under DBM Budget Circular 2024 – 6 dated December 12, 2024;
- 8.8. Those who are 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 executor judgement, provided that:
  - 8.8.1. Those found guilty shall not be entitled to Medical Allowance in the year of finality of the decision. The personnel shall refund the Medical Allowance received for that year;
  - 8.8.2. If the penalty imposed is only a reprimand, the personnel concerned shall be entitled to Medical Allowance;
- 8.9. For employees on Study Leave/ Training/ Scholarship Grant
  - 8.9.1. 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;
  - 8.9.2. If an employee is on study/ training/ scholarship grant for the entire year, whether locally or abroad, he/ she is not entitled to the Medical Allowance;
- 8.10. Although officials and employees of the Vice-Mayor's Office and Sangguniang Bayan Office are performing legislative functions, they do not have fiscal autonomy, hence, shall receive Medical Allowance;
- 8.11. Pursuant to Revenue Memorandum Circular No. 107-2024 of the Department of Finance-Bureau of Internal Revenue, the authorized Medical Allowance granted under E.O. No. 64, s. 2024 falls under the "de minimis" benefit contemplated in Section 2.78.1 (A) (3) of Revenue Regulations (RR) No. 2-98, as amended;

Such being the case, the Medical Allowance and/ or the actual premium paid to HMO providers in compliance with E.O. No. 64, s. 2024 is exempt from income tax and consequently, to withholding tax pursuant to Section 2.78.1 (A) (3) of RR No. 2-98, as amended.





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9. FUND SOURCE & APPROPRIATION

The Medical Allowance of authorized local government employee shall be granted based on the availability of funds, however, a uniform rate not exceeding Seven Thousand Pesos (P7,000.00) each per annum, subject to the following conditions:

- 9.1. The Medical Allowance is subject to the PS limitation pursuant to Section 325 (a) and 331 (b) of R.A. No. 7160 or the Local Government Code (LGC) of 1991

The grant of Medical Allowance shall be allowed through an appropriation ordinance to be enacted by the Sangguniang Bayan and that the changes in the approved annual budget may be allowed through supplemental budgets under the specified circumstances pursuant to Section 321 of the LGC and Article 417 of its Implementing Rules and Regulations (IRR), as amended by Administrative Order No. 47 dated April 12, 1993, or through augmentation pursuant to Section 336 of the LGC and Article 454 of its IRR;

- 9.2. The guidelines on the grant of the Medical Allowance provided in DBM Budget Circular 2024 – 6 dated December 12, 2024, shall be adhered to and the pertinent budgeting, accounting, and auditing laws, rules, and regulations.

10. REPORTORIAL REQUIREMENTS

- 10.1. All recipients of Medical Allowance in the form of cash as provided under Item 7.1.3. hereof, shall submit documents to support the use of the Allowance for medical expenses, e.g., receipts of medical services undertaken, drugs and medicines, medical supplies and equipment and certification from the MHO that he/she availed at least two (2) times consultation on the Wellness Program of the local government unit (See ANNEX B-1);
- 10.2. Sales/ service invoice and MHO certification shall be consolidated by the Human Resource and Management Office, Sales/ service invoice and MHO certification shall be attached to the payroll or voucher of the Payment for Medical Allowance together with a summary of employees corresponding the total amount of medical expenses and from where these were utilized (See ANNEX B-2);
- 10.3. Personnel who have not availed of any medical services or purchased any drugs and medicines or medical supplies and equipment and HMO – type package prior to the processing of payroll or voucher for claim of Medical Allowance and have not acquired any invoices or MHO certification shall signifying their commitment to provide the requirements specified under items 10.1 and 10.2 within forty-five (45) days, nonetheless, the Human Resource Management Office (HRMO), Municipal Budget Office (MBO), Office of the Municipal Accountant (OMA) and Office of the Municipal Treasurer (OMT) shall have the authority to retrieve the paid Medical Allowance by deducting the same amount to the succeeding schedules of payment of salaries;





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- 10.4. Department heads, chief of offices and MHO shall submit a Semi-Annual Summary Report of Employees' Medical Condition (see ANNEX C) through their Health and Wellness Focal Persons to the Human Resource Management Office. The report shall contain information on vital signs, laboratory results and history of ailments, diseases and medical issues, if any, and other vital health information of the employee;
- 10.5. Employees who have separated from the local government before the completion of six (6) months within the fiscal year, but have received their Medical Allowance in full, shall return the same amount of Medical Allowance through the HRMO, MBO, OMA & OMT shall have the authority to deduct the same amount of received Medical Allowance from the said retired or resigned personnel from his/ her remaining remuneration or benefits;
- 10.6. In case where the employee chooses to avail of HMO – type products and services, the employee shall attach a proof of enrollment with an HMO provider, such as but not limited to:
  - 10.6.1. Certified copy of HMO agreement or identification card issued by the HMO provider;
  - 10.6.2. certification of membership issued by the HMO provider;
  - 10.6.3. sales/ service invoice for the payment of membership fee for the HMO product acquired.
11. **RESPONSIBILITIES OF OFFICES**
  - 11.1. Department heads & chief of offices & MHO shall take charge in preparing and submitting the copy of payroll or voucher to the HRMO, MBO, OMA & OMT for processing and payment. Likewise, they shall ensure that all documentary requirements are correctly and completely attached to the payroll or voucher;
  - 11.2. The Human Resource Management Office shall be responsible in checking the eligibility of employees who are entitled to receive Medical Allowance considering their status of appointment, length of service, place of work and other availment requirements pursuant to Budget Circular 2024 – 6 dated December 12, 2024;
  - 11.3. The MBO, OMA & OMT shall practice prudence, diligence and efficiency in processing the payment of Medical Allowance of eligible employees;
  - 11.4. Health and wellness focal persons are hereby tasked to consolidate pieces of documentary evidence of expenses from where the Medical Allowance was used, and conduct regular health monitoring of their employees. Semi-annual report of medical condition of employees shall be consolidated and submitted by the focal persons to the HRMO to determine the effectiveness of Medical Allowance in managing the health of employees;



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“ANNEX A-1”

LIST OF EMPLOYEES WHO HAVE EXISTING HMO-TYPE PRODUCT COVERAGE  
OR BENEFIT

No.	Name of Employee Name of HMO	Status of Appointment Coverage	Name of Office/Hospital
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Prepared by:

Noted by:

Signature Over Printed Name  
Name  
Department Head

Signature Over Printed  
Municipal Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



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“ANNEX A-2”

REPORT ON THE GRANT OF THE MEDICAL ALLOWANCE FOR CY 2025

Department/Agency: \_\_\_\_\_  
\_\_\_\_\_

- I. Total Amount Paid for the Medical Allowance:  
A. Number of Qualified Personnel:  
i. Civilian Personnel \_\_\_\_\_  
ii. Contractual Personnel \_\_\_\_\_  
iii. Casual Personnel \_\_\_\_\_

Total No. of Qualified Personnel \_\_\_\_\_

B. Rate of Medical Allowance: \_\_\_\_\_

C. Total Amount Paid \_\_\_\_\_

II. Form of Medical Allowance

In Cash Form

Availed New HMO-type Benefit  
Total No. of Qualified Personnel:

Civilian Personnel: \_\_\_\_\_  
Contractual Personnel: \_\_\_\_\_  
Casual Personnel: \_\_\_\_\_

Payment of Existing or Renewal HMO-type Benefit

Total No. of Qualified Personnel: \_\_\_\_\_  
Civilian Personnel: \_\_\_\_\_  
Contractual Personnel: \_\_\_\_\_  
Casual Personnel: \_\_\_\_\_

Submitted by:

Certified Correct:

\_\_\_\_\_

Department Head

Municipal Mayor





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“ANNEX B-1”

SUMMARY OF MEDICAL EXPENSES RECEIPTS

Name of Employee: \_\_\_\_\_ Designation: \_\_\_\_\_

Name of Office/Hospital: \_\_\_\_\_

Date of Submission: \_\_\_\_\_

Summary of Expenses

Date	Sales/Service Invoice No.	Item/Description	Amount
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Total

Prepared by:

Signature Over Printed Name  
Designation

\_\_\_\_\_  
Date



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“ANNEX B-2”

SUMMARY OF SALES/ SERVICE INVOICE FOR EMPLOYEE MEDICAL EXPENSES

Name of Employee: \_\_\_\_\_ Designation: \_\_\_\_\_

Name of Office/Hospital: \_\_\_\_\_

Date of Submission: \_\_\_\_\_

Attached Sales/ Service Invoice





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“ANNEX C”

SUMMARY REPORT OF EMPLOYEES’ MEDICAL CONDITION  
Period: \_\_\_\_\_

OFFICE/HOSPITAL: RURAL HEALTH UNIT (WELLNESS PROGRAM)

No.	Name	Position/ Function	Length of Service	Status of Employment	Age	
	Gender	Height	Weight	Waist	Vital Signs	Chief Complaint/
Physical Exam		Diagnostic/	Laboratory Result	Remark/Other Findings		
					BP	PR
	TEMP.					



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11.5. Department heads & chief of offices and MHO shall be held liable for any grant of Medical Allowance not in accordance with this Order and Budget Circular 2024-6 dated December 12, 2024 without prejudice, however, to the refund by the employees concerned of any excess or under payments.

12. **RESOLUTION OF CASES**

Cases not covered by the provision of this Order shall be referred to the Sangguniang Bayan and Legal Department of Calasiao for resolution.

13. **UPDATING AND REVIEW**

The guidelines under this Executive Order shall be periodically reviewed and updated, as necessary, in accordance with the Budget Circular 2024-6 dated December 12, 2024 and other subsequent policies on the matter.

14. **REPEAL**

Internal rules on Medical Allowance and other issuances, orders, rules and regulations or parts thereof which are inconsistent with the provision of this Order are hereby revised, modified, and/ or repealed accordingly.

15. **SEPARABILITY**

If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

16. **EFFECTIVITY**

These guidelines shall take effect immediately upon issuance.

SO ORDERED this 18<sup>th</sup> day of March 2025 in Calasiao, Pangasinan.

**HON. KEVIN ROY O. MACANLALAY**  
Municipal Mayor