

PEAC ADVISORY

August 1, 2016

**TAX TREATMENT OF THE TEACHER SALARY SUBSIDY (TSS)
UNDER THE GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS
IN PRIVATE EDUCATION (GASTPE) PROGRAM**

TO: School Heads of Education Service Contracting (ESC) participating schools
PEAC Regional Program Directors and Regional Program Coordinators

1. As per DepEd Order 18, s. 2016 on the Policies and Implementation of the GASTPE Program Effective School Year 2016-2017, qualified teachers in private junior high schools participating in the Education Service Contracting (ESC) shall receive a subsidy of P18,000 per teacher per year.
2. In response to the concern of ESC participating schools and teachers with regard to the tax treatment of the Teacher Salary Subsidy (TSS), the enclosed advisory drafted by Salvador Llanillo Bernardo Attorneys-at-Law provides reference on the income tax treatment of the TSS.
3. The participating schools are advised to ensure that all documentation and accounting records are consistent with the treatment of the TSS given to qualified teachers as outlined in the enclosed advisory.

Please be guided accordingly.

Rhodora Angela F. Ferrer
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Executive Director