

Republic of the Philippines
OFFICE OF THE OMBUDSMAN
176 Former MWSS Bldg., Arroceros Street, Ermita, 1000 Manila

MEMORANDUM CIRCULAR NO. 9
Series of 1994.

T O : ALL HEADS OF DEPARTMENTS, OFFICES, BUREAUS AND
AGENCIES OF THE NATIONAL AND LOCAL GOVERNMENTS,
INCLUDING GOVERNMENT-OWNED AND CONTROLLED
CORPORATION.


R E : PAYMENT OF ACCRUED LEAVE CREDITS/TERMINAL
LEAVE PAY.

Numerous requests for clearance have been pouring in this Office as one of the requirements for the payment of money value of accrued leave credits (terminal leave pay) on the mistaken notion that such is called for by the provisions of Memorandum Circular No. 1, implementing Sections 12 and 13 of Republic Act No. 3019, as amended.

The perceived intention of the said provisions is that a public official or employee who is separated from service may not be given retirement benefits if he is still facing criminal or administrative charges. The obvious purpose of the law is to forestall the possibility of a public official or employee with pending case to be granted retirement benefits which may be declared forfeited in the decision in the case filed against him which was still pending at the time of his separation from the service. Retirement benefits, however, do not include accrued leave credits which are considered earned salaries of the official or employee concerned. An Ombudsman clearance is therefore required only for payment of retirement benefits.

Accordingly, no Ombudsman clearance is necessary for the payment of the money value of the accrued leave credits (terminal leave pay) of a separated official or employee, subject only to whatever claims the paying agency may have against the same.

Manila, Philippines, August 22, 1994.


CONRADO M. VASQUEZ
Ombudsman

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