



Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



OCT 27 2025

REVENUE REGULATIONS NO. 029-2025

SUBJECT : Further Amending the “De Minimis” Benefits Provisions of Revenue Regulations (RR) No. 2-98, as Amended, Increasing the Ceiling of Non-Taxable Benefits

TO : All Internal Revenue Officials, Employees and Others Concerned

Pursuant to Sections 4 and 244 in relation to Section 33 of the Tax Code of 1997, these regulations are hereby promulgated to further amend RR No. 2-98, as last amended by RR No. 004-2025, with respect to “De Minimis” benefits which are exempt from income tax on compensation as well as from fringe benefit tax.

SECTION 1. Section 2.78.1 of RR No. 2-98, as amended by RR No. 004-2025, is hereby further amended to read as follows:

“SECTION 2.78.1. Withholding of Income Tax on Compensation Income. –

(A) Compensation Income Defined. – xxx

xxx xxx xxx

(3) Facilities and privileges of relatively small value. – xxx

- (a) Monetized unused vacation leave credits of private employees not exceeding **twelve (12)** days during the year;
- (b) Monetized value of vacation and sick leave credits paid to government officials and employees;
- (c) Medical cash allowance to dependents of employees not exceeding **P2,000.00** per employee per semester or **P333.00** per month;
- (d) Rice subsidy of **P2,500.00** or one (1) sack of 50 kg. rice per month amounting to not more than **P2,500.00**;
- (e) Uniform and clothing allowance not exceeding **P8,000.00** per annum;
- (f) Actual medical assistance, e.g., medical allowance to cover medical and healthcare needs. annual medical/executive check-up, maternity assistance, and routine consultations not exceeding **P12,000.00** per annum;
- (g) Laundry allowance not exceeding **P400.00** per month;



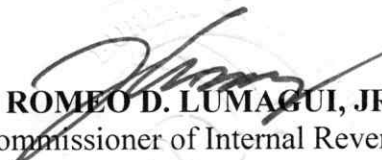
- (h) Employee's achievement awards, e.g., for length of service or safety achievement, in any form, whether in cash, gift certificate, or any tangible personal property, with an annual monetary value not exceeding **P12,000.00** received by the employee under an established written plan which does not discriminate in favor of highly paid employees;
- (i) Gifts given during Christmas and major anniversary celebrations not exceeding **P6,000.00** per employee per annum;
- (j) Daily meal allowance for overtime work and night/graveyard shift not exceeding **thirty percent (30%)** of the basic minimum wage on a per region basis; and
- (k) Benefits received by an employee by virtue of a collective bargaining agreement (CBA) and productivity incentive scheme provided that the total annual monetary value received from both CBA and productivity incentive schemes combined do not exceed **twelve thousand** pesos (**12,000.00**) per employee per taxable year.

XXX XXX XXX

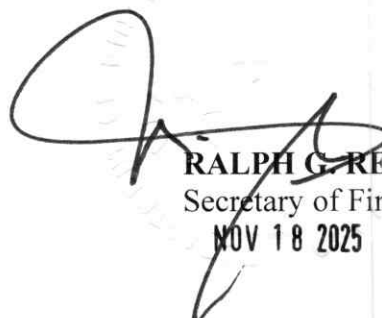
SECTION 2. REPEALING CLAUSE. – All existing rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of these Regulations are hereby amended, modified or repealed accordingly.

SECTION 3. EFFECTIVITY. – These Regulations shall take effect after fifteen (15) days following its publication in the Official Gazette or in the BIR Official Website, whichever comes first.

Recommending Approval:


ROMEO D. LUMAGUI, JR.
 Commissioner of Internal Revenue




RALPH G. RECTO
 Secretary of Finance
 NOV 18 2025



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