



Republic of the Philippines  
Department of Education  
REGION III  
SCHOOLS DIVISION OF BULACAN

January 22, 2026

Division Memorandum  
No. 47, series 2026

**IMPLEMENTATION OF BIR RMC NO. 51-2018 FOR CONTRACT OF SERVICE (COS) PERSONNEL EARNING ₱250,000 AND ABOVE**

To: Assistant Schools Division Superintendent  
CID and SGOD Chiefs  
Elementary and Secondary School Heads  
Unit Heads of the Functional Divisions  
All Others Concerned

1. In line with the Department of Education's (DepEd) commitment to uphold transparency, accountability, and compliance with existing tax, accounting, and auditing laws and regulations, this Division Office issues this Memorandum to reiterate and enforce compliance with **Bureau of Internal Revenue (BIR) Revenue Memorandum Circular (RMC) No. 51-2018**.
2. This Memorandum shall apply to all Contract of Service (COS) personnel of the Schools Division Office of Bulacan, including those designated by Central Office and schools, whose total gross income is estimated to exceed ₱250,000.00 per year, whether from a single payor or from multiple income sources.
3. Pursuant to BIR RMC No. 51-2018, Contract of Service (COS) personnel whose total gross income exceeds ₱250,000.00 per year are required to register with the Bureau of Internal Revenue (BIR) and submit the prescribed documentary requirements to determine the applicable withholding tax rate.

**Non-submission of the required documents** shall result in the *automatic deduction of the mandatory ten percent (10%) withholding tax from payments*, in accordance with existing BIR rules and regulations.

4. Accordingly, all **covered COS personnel** are hereby directed to ensure compliance with the following BIR requirements:
  - a. **Contract of Agreement**, duly signed by the contracting parties and clearly indicating the approved period of engagement;



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Department of Education  
REGION III  
SCHOOLS DIVISION OF BULACAN

b. **BIR Form No. 1901** (Application for Registration for Self-Employed), duly signed and stamped by the BIR, **or**  
**BIR Form No. 2303** (Certificate of Registration);

c. **Original copy of the duly accomplished Income Payee's Sworn Declaration of Gross Receipts/Sales**, notarized and affixed with the corresponding BIR documentary stamp.

There are **two (2) prescribed versions** of the Sworn Declaration, depending on the income source of the payee:

- **Annex A1** – for COS personnel with a **Lone Income Payor**; and
- **Annex A2** – for COS personnel with **Several Income Payors and/or other sources of income**.

The prescribed Sworn Declaration templates and other required forms may be accessed through the official link and QR code provided below for reference and use: <https://bit.ly/COSBIRform>

5. For purposes of securing the required BIR stamp and validation, concerned COS personnel shall personally submit the complete set of required documents to the appropriate BIR Revenue District Office (RDO) where they are registered. Submission of complete and accurate documents shall facilitate proper evaluation, stamping, and registration by the BIR, in accordance with existing rules and procedures.
6. For Division Office (DO) file reference and monitoring purposes, all concerned COS personnel are required to submit copies of the duly received and BIR-validated documents to the Human Resource (HR) Unit **on or before January 29, 2026**.
7. To further guide and clarify the requirements under BIR RMC No. 51-2018, **an orientation** shall be conducted on **January 26, 2025, from 9:00 AM to 10:00 AM**, at the **Conference Hall, 3rd Floor, Schools Division Office of Bulacan Provincial Compound, Guinhawa, City of Malolos, Bulacan**.

The orientation will cover the BIR registration process, required documentary submissions, sworn declaration requirements, and applicable withholding tax provisions for Contract of Service (COS) personnel.

Attendance is strongly encouraged for all COS personnel whose earnings are estimated to exceed ₱250,000.00 per year, to ensure proper understanding of the requirements and to facilitate timely and accurate compliance with applicable BIR rules and regulations.



Republic of the Philippines  
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**SCHOOLS DIVISION OF BULACAN**

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8. Enclosed herewith is a copy of the digest version of the Bureau of Internal Revenue (BIR) ruling under Revenue Memorandum Circular (RMC) No. 51-2018, for the reference and guidance of concerned personnel.
9. This Memorandum shall take effect immediately upon issuance. Immediate dissemination of and strict compliance with its provisions are hereby directed.



**CECILIA E. VALDERAMA, PhD , CESO VI**  
Assistant Schools Division Superintendent  
Office-In-Charge  
Office of the Schools Division Superintendent

Accounting Unit  
January 22, 2026



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Enclosure No.1 of Division Memorandum No. 47, s. 2026

Attachment of Digest Ruling of RMC 51-2018

**REVENUE MEMORANDUM CIRCULAR NO. 51-2018** issued on June 11, 2018 amends Revenue Memorandum Circular No. 69-2017 re: registration and compliance requirements of individuals under a Job Order or Service Contract Agreement with the Departments and Agencies of the Government, Instrumentalities, Local Government Units (LGUs), State Colleges and Universities, including Government-Owned and/or -Controlled Corporations and Government Financial Institutions.

The registration and compliance requirements specified in the Circular are applicable only to individuals under a Job Order or Service Contract Agreement with the said government offices. Otherwise, the policies pursuant to Revenue Regulations No. 11-2018 shall be applicable.

The registration, filing and payment requirements for each type of taxpayers defined in the Circular are summarized below:

	Registration Fee (RF) /Annual RF	COR	Percentage / VAT	Bookkeeping	Invoicing	1701 ITR	1701 Q	2551 Q/2550M/2550Q	Expanded Withholding Tax		Business Tax	
									Gross Income < 3,000,000	Gross Income > 3,000,000	Percentage Tax	VAT
Individuals under a Job Order or Service Contract Agreement with the Departments and Agencies of the Government Instrumentalities, LGUs, State Colleges and Universities, including the GOCCs and GFI												
Professionals and Other Supplier of Services deriving gross receipts of P250,000 and below in any 12-month period from lone payor	✓	X	✓*	X	X	✓	X	✓	X	X	3%	X
Other Supplier of Services deriving gross receipts above P250,000 in any 12-month from lone payor	✓	✓	✓*	✓	✓*	✓	✓	✓*	2% or 10%**	10%	3%	5% or 12%
Professionals deriving gross receipts above P250,000 in any 12-month period from lone payor	✓	✓	✓*	✓	✓*	✓	✓	✓*	5% or 10%**	10%	3%	5% or 12%
Other Supplier of Services receiving income from multiple payor and/or other source of income	✓	✓	✓	✓	✓	✓	✓	✓	2% or 10%**	10%	3%	5%
Professionals receiving income from multiple payor and/or other source of income	✓	✓	✓	✓	✓	✓	✓	✓	5% or 10%**	10%	3%	5%

\*May avail of the substituted filing on Percentage Tax/VAT return and substituted official receipts.

\*\*10% Creditable Withholding Tax rate shall be withheld if the payee failed to submit sworn declaration or if the payee is VAT-registered regardless of amount of gross receipts/sales.

Note: No creditable withholding of Percentage Tax, and the taxpayer is also not required to file quarterly Percentage Tax return if he opted to avail of the 8% Income Tax rate.