



Republic of the Philippines
NATIONAL PRIVACY COMMISSION

**PRIVACY POLICY OFFICE
ADVISORY OPINION NO. 2018-008**

02 April 2018



**Re: SUBMISSION OF EMPLOYEE NAMES AND SALARY
RECEIVED IN CY 2017 FOR ISSUANCE OF COMMUNITY TAX
CERTIFICATE (CTC)**

Dear ,

This pertains to your updated inquiry via email, received by the Privacy Policy Office of the National Privacy Commission (NPC) on 19 February 2018, which sought to clarify whether the employer's disclosure of the list of employees with their corresponding salary in CY2017 to the Office of the City Treasurer City is in consonance with the provisions of Republic Act No. 10173¹, also known as the Data Privacy Act of 2012 (DPA), its Implementing Rules and Regulations (IRR)² and relevant issuances.

To backtrack, there was an initial email inquiry dated 11 January 2018 where it was mentioned that the City of Dumaguete was requesting for employee information (name, address and educational attainment) as a new requirement for business permit renewal. We thereafter sent a clarificatory letter and requested for further information on the said requirement.

In your email dated 13 February 2018, you attached copies of the following:

1. Letter from the Office of the City Treasurer of Dumaguete City dated 6 February 2018 informing the manager of SPI-CRM of the requirement for all employees to secure and pay their community tax, and for that purpose, to prepare a list of all employees with their corresponding annual salary for 2017, and finally, to coordinate on the possible appointment date and time for the representative of the City Treasurer's Office to come and visit the establishment to personally issue the community tax certificates (CTCs) to the employees;

¹ AN ACT PROTECTING INDIVIDUAL PERSONAL INFORMATION IN INFORMATION AND COMMUNICATIONS SYSTEMS IN THE GOVERNMENT AND THE PRIVATE SECTOR, CREATING FOR THIS PURPOSE A NATIONAL PRIVACY COMMISSION, AND FOR OTHER PURPOSES, "Data Privacy Act of 2012" (15 August 2012).

² Implementing Rules and Regulations of the Data Privacy Act (24 August 2016).

2. Your email sent to the City Treasurer of Dumaguete City on 8 February 2018 wherein you forwarded NPC's letter requesting for clarification and further information; and
3. Letter from the Office of the City Treasurer of Dumaguete City dated 12 February 2018 expounding on the requirement for the list of all employees with their corresponding annual salary for 2017 as a basis for the computation of the community tax.

Community Tax

Section 157 of the Local Government Code (LGC) provides as follows:

"SECTION 157. Individuals Liable to Community Tax. - Every inhabitant of the Philippines eighteen (18) years of age or over who has been regularly employed on a wage or salary basis for at least thirty (30) consecutive working days during any calendar year, or who is engaged in business or occupation, or who owns real property with an aggregate assessed value of One thousand pesos (P1,000.00) or more, or who is required by law to file an income tax return shall pay an annual community tax of Five pesos (P5.00) and an annual additional tax of One peso (P1.00 for every One thousand pesos (P1,000.00) of income regardless of whether from business, exercise of profession or from property which in no case shall exceed Five thousand pesos (P5,000.00)."

The above is implemented by the City of Dumaguete under their own Local Tax Code, Sections 89 and 90 of Ordinance No. 125.³

We understand that the list of all employees with their corresponding annual salary for 2017 is being requested by the Office of the City Treasurer for submission prior to the actual visit of the representative of said office for purposes of facilitating the efficiency of the transaction, *i.e.* to enable them to prepare and print the CTCs beforehand, ready for signature and thumbprinting of the respective employees.

Upon evaluation, the personal information being requested by the Office of the City Treasurer satisfies the general data privacy principles of transparency, legitimate purpose and proportionality.⁴

First, the collection and processing of personal information is pursuant to a statutory mandate.⁵ Second, there is an assurance that the personal information collected will be stored securely and kept confidential.⁶ Third, the information requested are relevant and necessary to enable the Office of the City Treasurer to accurately compute and determine the community tax to be collected from every employee.⁷

However, if the request of preliminary submission of the names and salaries of employees is purely for efficiency purposes, the Office of the City Treasurer may opt to just give out handwritten CTCs instead of having it pre-printed. The representative may perform the calculation of the taxes to be paid during the appointment period where the employees would be required to present their respective BIR Form No. 2316 - Certificate of Compensation Payment/Tax Withheld as proof of their annual salary for 2017.

³ Letter from the Office of the City Treasurer of Dumaguete City dated 12 February 2018

⁴ Implementing Rules and Regulations of RA No. 10173, §17 and 18.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

We note also that it is possible that some of the employees may have already paid their community tax and have been issued with the CTCs for 2018. Hence, the collection of personal information of those employees is unnecessary.

Consequently, you, as employer, must inform the employees of the appointment schedule with the representative from the Office of the City Treasurer in order for them to have ample time to prepare the payment and documents necessary for the issuance of the CTC.

For your reference.

Very truly yours,

(Sgd.) IVY GRACE T. VILLASOTO
OIC - Director IV, Privacy Policy Office

Noted by:

(Sgd.) RAYMUND ENRIQUEZ LIBORO
Privacy Commissioner and Chairman