



Prepare a gift for your future self

PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)

1

Did you know?

There is no better time than now to start planning your retirement. PERA can help you gift yourself with a more comfortable retirement.



2

What is PERA?

- PERA is a voluntary retirement account.
- It is open to Filipinos/Philippine residents who have the capacity to contract and have a Tax Identification Number (TIN).
- The maximum PERA contribution per year is Php200,000 for Local Filipinos and Php400,000 for Overseas Filipinos (OFs).



3

How does PERA work?

Step 1

You, as a contributor, will appoint BDO as your PERA Administrator and a third-party as your Custodian/s.

Step 2

BDO as your PERA Administrator will setup your PERA and coordinate with your Custodian/s and Product Provider/s to carry out your investment instructions.

Step 3

The PERA Administrator will oversee and maintain your PERA until its final distribution.

BDO has the distinct privilege of being the first institution to get joint accreditation as PERA Administrator from the Bangko Sentral ng Pilipinas (BSP) and the Bureau of Internal Revenue (BIR).
 You will also need Custodian/s to hold the cash and securities of PERA and Product Provider/s to supply your PERA investment products.

PERA Investment Products

BDO is also a **PERA** Product Provider. You may select from the following BDO PERA Unit Investment Trust Funds (UITFs):



BDO PERA Short Term Fund

Suited for conservative investors who are nearing retirement as the Fund aims for capital preservation and income from low-risk investments.



BDO PERA Bond Index Fund

Suited for moderate investors who are about 5 years to 10 years prior to their retirement as the Fund invests in peso-denominated bonds, taking advantage of the regular income provided by fixed income securities.



BDO PERA Equity Index Fund

Ideal for investors who can afford to be aggressive as they are starting to build their retirement fund or are still more than 10 years until their retirement age. The Fund invests in the top 30 stocks that comprise the Philippine Stock Exchange index (PSEi).

4 What are the benefits of PERA?

- Income earned by PERA investment products are tax-exempt.
- Annual PERA contributions are entitled to a 5% tax credit.*
- PERA distributions are free from estate tax in the event of the Contributor's death.
- Annual PERA Contributions made by an employer in behalf of the Contributor are:
 - Considered a valid expense and allowed as a deduction from the employer's gross income
 - Exempted from the employee's withholding tax on compensation and fringe benefits

At the same time, the employer:

- Can claim the actual amount of contributions as a deduction (expense) from its gross income,
- Contributions are not subject to fringe benefit tax even if given to all or only some employees.



To get the full tax benefits of PERA, use your PERA funds when you are at least 55 years old and have made at least five years of contribution. Otherwise, you will have to pay the BIR 20% of your total earnings as penalty and all the annual tax credits.

5 How to open a PERA with BDO?

Open a BDO Online Banking Account. You can use this to open a PERA with BDO as your Administrator.



Choose your preferred PERA Investment Product.



Make contributions to your PERA using your BDO account.

For more information, you may visit bdo.com.ph/PERA and bdo.com.ph/PERA/faq.

*Tax credits can be used to pay internal revenue taxes depending on the source of income of the contributor. For example, for a locally employed contributor the PERA TCC can be applied against employee's withholding income tax.

Disclosures

Unit Investment Trust Funds (UITFs) are trust products and not deposit accounts. They are not insured by the Philippine Deposit Insurance Corporation (PDIC). Returns and principal protection are not guaranteed and any income or loss is for your account. Benefits, features, fees, and risks shall be disclosed to you prior to its sale. It is recommended that you read the plan rules or seek independent opinion before making an investment.

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