



Republic of the Philippines
Department of Education



Office of the Undersecretary for Finance
Disbursements and Accounting

DM - OUFDA - 2018 - 0011

August 14, 2018

MEMORANDUM

To: **ALL REGIONAL DIRECTORS
THE DIRECTOR IV, BUREAU OF HUMAN RESOURCE AND
ORGANIZATIONAL DEVELOPMENT
ALL SCHOOLS DIVISION SUPERINTENDENTS**

Attention: **Chiefs, Regional Administrative and Finance Divisions, and Central
Office Personnel Division
Heads, Implementing Unit Secondary Schools
All Authorized Agency Officers (AAOs)**

FROM: **VICTORIA L. MEDRANA CATIBOG**
Undersecretary

SUBJECT: **DIRECTIVES ON CERTAIN ISSUES AND CONCERNS REGARDING GSIS
LOANS OF DEPED PERSONNEL**

*to,
for information
in the field
thanks,*

[Signature]
8.22

1. This pertains to the following issues and concerns in relation to the Government Service Insurance System (GSIS) loans of DepEd personnel:

- 1.1 As of July 27, 2018, the GSIS has documented 4,701 DepEd personnel who applied for GSIS Financial Assistance Loan (GFAL) which were not accommodated due to inability to renew their due and demandable GSIS loan accounts;
- 1.2 There were official and unofficial reports of DepEd personnel with Undeducted Obligations in their pay slips who are requesting their respective Authorized Agency Officers (AAOs) to approve the renewal of their GSIS Consolidated Loans (Conso-Loans), which were not also accommodated in view of the Department's policy under Item 2 of DepEd Order No. 5, s. 2018 entitled "Implementation of P5,000.00 Net Take Home Pay for Department of Education Personnel;" and
- 1.3 There are 122,926 DepEd employees who availed of different GSIS loan products that are already in default. These borrowers are advised by the GSIS to apply for the GSIS' Enhanced Conso-Loan Plus Program on or before October 1, 2018, so that the penalties and surcharges incurred will be waived.

2. For Item No. 1.1 above, the Department and the GSIS have arrived at the agreements **regarding the availment of GFAL by DepEd personnel with due and**

*advice
8/15/18*

demandable GSIS loan accounts, which shall be followed by all GSIS offices and AAOs nationwide. For the procedural guidelines, please refer to attached letter dated August 13, 2018 from Atty. Nora Malubay Saludares, Senior Vice President, NCR Operations Group of the GSIS, particularly paragraph 4 thereof, for your ready reference and guidance.

3. **For DepEd personnel with Undeducted Obligations who are requesting for the renewal of their GSIS Conso-Loans but not applying for the GFAL** (Item No. 1.2 above), the AAOs may approve such requests provided that the following conditions are met:

- 3.1 The GSIS Conso-Loan for renewal is not a past due loan, thus, the deduction for the GSIS Conso-Loan appears under the Deducted side of the concerned DepEd personnel's monthly pay slip;
- 3.2 The resulting GSIS Conso-Loan deduction will be equal to or lower than the existing GSIS Conso-Loan deduction in the pay slip, i.e., all other things being equal, no Deducted Obligation will be dislodged and the NTHP will not be reduced; and
- 3.3 The extension of the termination date of the GSIS Conso-Loan deduction, which is a direct result of the renewal, will not cause the delay of the deduction of Undeducted Obligations, i.e., all Undeducted Obligations will be incorporated in the left side of the pay slip on the same month regardless if the GSIS Conso-Loan's termination date is extended or not.



4. With regard to the GSIS loans of 122,926 DepEd employees that are already in default (Item 1.3 above), Atty. Malubay-Saludares in her letter dated August 6, 2018, copy also attached, informed the Department that one alternative to settle the borrowers' past due account, to make it current/updated, is to apply for the GSIS' Enhanced Conso-Loan Plus Program, wherein the penalties and surcharges will be automatically waived. However, this "automatic waiver" will be discontinued starting **October 1, 2018**. A compact disc (CD) containing the list of DepEd personnel will be provided to the Chief Administrative Officers (CAOs) of the Regional Administrative Division, who will perform the following:

- 4.1 Disseminate this information to the concerned DepEd personnel within their respective areas as soon as possible. It is understood that Republic Act 10173 or the Data Privacy Act of 2012 and its Implementing Rules and Regulations shall be strictly followed in handling all personal information; and
- 4.2 Advise the concerned DepEd personnel to settle in full their GSIS due and demandable loan accounts in order to avoid compounded penalties and surcharges. The CAOs may also inform the concerned DepEd personnel that they may apply for the GSIS' Enhanced Conso-Loan Plus Program on or before October 1, 2018 to update their loans with the GSIS, in order to waive and avoid additional penalties and surcharges. In case of they will apply for the said loan, the concerned DepEd personnel and AAOs must adhere to the guidelines under Items 2 or 3 of this Memorandum, whichever is applicable.

5. All AAOs are likewise directed to either inform (for applications that include GFAL) or course through (for applications for other GSIS loans) all applications for GSIS loans to the DepEd Verifiers for tagging and/or assessment purposes, respectively, of the DepEd personnel's resulting Net Take Home Pay.

Handwritten signature and date:
2/21/18




6) For strict compliance and proper dissemination to all concerned.


V.L.M. CATIBOG 

Enclosures: As attached

Copy furnished:

1. LEONDR MAGTOLIS BRIONES
Secretary, HRIS Center/HRIS
2. ATTY. NORA MALUGAY-SALUDARES
Senior Vice President, AVR Operations Group, 0045
Financial Center, Makay City, Metro Manila
3. ALL DEPED VERIFIERS FOR THE AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS)
PROGRAM

	Republic of the Philippine DEPARTMENT OF EDUCATION CORDILLERA ADMINISTRATIVE REGION Wangsa La Trinidad, Benguet	
		August 20, 2013
	Indorsement	
To:	Schools Division Superintendents AR Division	
	For information and Dissemination	
	 EDGARDO T. ALOS Chief Administrative Officer Wangsa La Trinidad	

To: All School Administrators, Principals & Teachers In-Charge
(Elementary & Secondary)
FOR YOUR INFORMATION & APPROPRIATE ACTION


FEDERICO P. MARTIN, Ed.D, CESO VI
Schools Division Superintendent

ROBERTO R. GONZALES
Administrative Officer V



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

13 August 2018

HON. VICTORIA CATIBOG
Undersecretary
Finance and Administration
Department of Education
DepEd Complex, Meralco Avenue
Pasig City

Dear Usec. Catibog:

This refers to your letters dated July 3 and 17, 2018 formalizing the agreements during our meeting on May 18, 2018 that will address the concern of teaching and non-teaching personnel of DepEd who cannot avail of the *GSIS Financial Assistance Loan (GFAL) for DepEd* due to the existence of due and demandable loan accounts with the GSIS. Inasmuch as they want to renew or restructure their due and demandable loan accounts through the GSIS's Conso Loan Program, the Authorized Agency Officer (AAO) will not approve the loan application because their net take home pay (NTHP) is already at the minimum (Php5,000.00).

As a matter of policy, the AAO shall only approve loans that meet the required NTHP.

As of July 27, 2018, we have documented 4,701 DepEd personnel who were unable to avail of GFAL due to their inability to renew their due and demandable Conso-Loan accounts.

We will advise all GSIS offices nationwide to adopt the following additional guidelines in case the DepEd personnel applying for GFAL has due and demandable loan accounts:

1. GSIS shall provide the borrower the tentative computations of the monthly amortizations for both the GSIS Conso-Loan and the GFAL.
2. If the resulting NTHP after accommodating the GFAL and GSIS Conso-Loan is more than Php5,000.00 or the required NTHP threshold, the borrower shall be advised by GSIS to proceed with the renewal of Conso-Loan through the GSIS kiosk.
3. The borrower shall submit his/her payslips, tentative GFAL computation and tentative Conso-Loan to the AAO as supporting documents in the loan application to be evaluated by AAO.
4. The AAO shall certify / approve the GSIS Conso-Loan application if the following conditions are met:

- a. The private lender/s whose existing deductions will be dislodged after accommodating the due and demandable GSIS Conso-Loan are prioritized under GFAL; and
 - b. The borrower's resulting NTHP after accommodating the GFAL and GSIS Conso-Loan shall not be lower than Php5,000.00, or the NTHP threshold required in the provision on Authorized Deductions, General Provision of the applicable GAA.
5. The borrower is informed of the Conso-Loan approval through SMS. The due and demandable loans with the GSIS are deemed up-to-date.
 6. The GSIS shall re-process the GFAL application of the borrower.


In the loan counseling stage, the GSIS loan processor shall explain that the Conso-Loan amortization deduction may cause some deducted obligation from private lender/s, if any, to be dislodged in the borrower's payslip, albeit *temporarily*, while the GFAL application is in process.

Once the proceeds from the GFAL is received by the private lender/s and applied to the borrower's loan account, the improved NTHP is realized by the borrower.

The borrower shall likewise be reminded that any remaining balance due the private lender/s, after settlement of the loan through GFAL, must be settled directly and without delay.

With this development, we respectfully request the assistance of your office to disseminate the aforementioned guidelines to those with due and demandable loan accounts with the GSIS and desire to avail of GFAL.

Very truly yours,

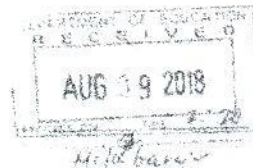

ATTY. NORA MALUBAY-SALUDARES
*Executive Vice President, Core Business Sector and
concurrent Senior Vice President, NCR Operations Group*



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

06 August 2018

Hon. VICTORIA L. MEDRANA CATIBOG
Undersecretary
Finance and Administration
Department of Education
DepEd Complex, Meralco Avenue
Pasig City



Dear Usec. Catibog:

We write to inform you that based on our records, there are 122,926 employees from *Department of Education* who availed of different loan products with the GSIS but have already defaulted on their loans due to the following reasons:

1. The total arrearages or unpaid amortization is equivalent to more than 6 monthly amortizations; or
2. The payment period of the loan has already lapsed; hence, the remaining unpaid balance is deemed due and demandable.

Attached is the CD file containing the list of member-borrowers with due and demandable accounts with the GSIS.

Please be reminded that the approval of the GSIS loan by your Agency Authorized Officer (AAO) carries with it the latter's commitment to undertake the following actions:

1. That the monthly amortization shall be deducted from the member-borrower's monthly salary and remitted to the GSIS; and
2. That in case the member-borrower is subsequently separated from the service, the agency shall make the final payment of benefits due the member-borrower from the agency only after clearance or statement of account is obtained from the GSIS.

It is important that your designated Authorized Agency Officer (AAO) and Electronic Remittance File (ERF) Officers act prudently in approving the loans of GSIS member-employees, and remit the required monthly amortizations to the GSIS promptly and correctly in accordance with the amortization schedule.

The aforementioned responsibilities of the AAO and ERF Officer are anchored in the following provisions of the *Revised Implementing Rules and Regulations (RIRR) of the Republic Act No. 8291*:

Section 14 Remittance of Contributions

14.2 The government agency shall also deduct from the fixed monthly compensation of the employee the loan amortizations (consolidated loans, policy loan, emergency loan, housing loan and other loans), premium payments (optional, pre-need and other non-life insurance) and other amounts due the GSIS.

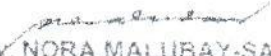
14.3 The said amounts shall be remitted to the GSIS within the first ten (10) days of the calendar month following the month when the deductions were effected, accompanied by supporting lists in the form prescribed by the GSIS.

On the basis of the foregoing and in order to protect the interest of the Social Insurance Fund, we are requesting that you enjoin the member-borrowers included in the attached list to update their accounts in default within thirty (30) days upon receipt of this letter to avoid further accumulation of interests and penalties.

One way to settle a loan account is by availing the *Enhanced Conso-loan Plus Program* which waives all penalties and surcharges on the outstanding salary loan accounts. Starting October 1, 2018, this 'automatic waiver' of penalties and surcharges will be discontinued by the GSIS, and we will automatically set off the computation of pro-rated surcharges and penalties on all loans in default

We trust that you will give this matter your preferential attention.

Very truly yours,


Atty. NORA MALUBAY-SALUDARES
Senior Vice President
NCR Operations Group