NATIONAL ADMINISTRATIVE REGISTER · DECEMBER 12, 2013

POLICY AND PROCEDURAL GUIDELINES ON THE FAILURE BY CONCERNED AGENCY OFFICIALS AND/OR EMPLOYEES TO DEDUCT THE FULL AMOUNT OF GSIS LOAN AMORTIZATIONS DUE FROM A MEMBER-BORROWER

GSIS RESOLUTION NO. 146, December 12, 2013

Read online (full-text search, related cases, audio case brief): https://batas.org/library/588c0d07500b/

WHEREAS, the GSIS is mandated to exercise powers and functions to ensure the collection or recovery of all indebtedness, liabilities and/or accountabilities, including unpaid premiums or contributions in favor of the GSIS;

WHEREAS, the duty of agencies to prioritize loan amortizations due to the System is clearly stated in Section 37 of the General Appropriations Act (GAA);

WHEREAS, GSIS has been continually seeking ways to improve its collection efficiency, particularly in the collection of loan amortizations from member-borrowers;

WHEREAS, there is a need to provide policies and implementing guidelines to cover cases where the concerned agency official and/or employee failed to deduct the full amount of GSIS loan amortizations due from agency employees, thereby resulting in non-remittance or under-remittance of loan payments to the System;

RESOLVED, to APPROVE and CONFIRM the Policy and Procedural Guidelines (PPG) on the Failure by Concerned Agency Officials and/or Employees to Deduct the Full Amount of GSIS Loan Amortizations Due from a Member-Borrower, as proposed by the Senior Vice President, Corporate Services Group and Corporate Planning Office, in her Memorandum dated 6 December 2013.

A copy of the PPG on the Failure by Concerned Agency Officials and/or Employees to Deduct the Full Amount of GSIS Loan Amortizations Due from a Member-Borrower is made an integral part of this Resolution.

Attachment:

Policy and Procedural Guidelines No. 251-14

Failure by Concerned Agency Officials and/or Employees to Deduct the Full
Amount of GSIS Loan Amortizations Due From a Member-Borrower

I. BACKGROUND/RATIONALE

The System is mandated to persistently collect members and agency obligations, i.e. premium contributions and loan amortizations. Delinquent agencies are given the option to enter into Memorandum of Agreement (MOA) with GSIS to settle their unpaid premium contributions. However, unpaid loan obligations are not included ill the MOA.

Consistent with the System’s vision to pursue its social mission with a member-focused orientation, the Board has held that the non-payment of loans will not result in the suspension of loan privileges of employees of delinquent agencies. There is thus a need to provide policies and implementing guidelines for the Operations

Group for cases where the concerned agency official and/or employee failed to deduct the full amount of amortization for a loan from the member.

II. LEGAL BASIS

Section 41, Item (w) of Republic Act No 8291 (The Government Service Insurance System Act of 1997) provides that:

> SEC. 41. Powers and Functions of the GSIS. - The GSIS shall exercise the following powers and functions:
>
> (a)
>
> x x x;
>
> (w)
>
> to ensure the collection or recovery of all indebtedness liabilities and/or accountabilities, including unpaid premiums or contributions in favor of the GSIS arising from any cause or source whatsoever, due from all obligors, whether public or private. The Board shall demand payment or settlement of the obligations referred to herein within thirty (30) days from the date the obligation becomes due, and in the event of failure or refusal of the obligor or debtor to comply with the demand, to initiate or institute the necessary or proper actions or suits, criminal, civil or administrative or otherwise, before the courts, tribunals, commissions, boards, or bodies of proper jurisdiction within thirty (30) days reckoned from the expiry date of the period fixed in the demand within which to pay or settle the account;
>
> x x x.

Moreover, Section 37 of the General Appropriations Act (GAA) provides that:

> SEC. 37. Authorized Deductions. - Deductions from salaries, emoluments or other benefits accruing to any government employee shall be chargeable against the appropriations for Personal Services for the payment of the individual employee's contributions or obligations due the following in the order of preference stated below:
>
> (a) BIR, PHILHEALTH, GSIS, and HDMF;
> (b) xxx

III. OBJECTIVES

This PPG aims to:

- Provide the policy for the treatment of agencies and its officials and employees who are responsible for the failure to deduct the full amount of loan amortization due from the member-borrower; and

- Provide policies to guide the Operations Group in their treatment of delinquent agencies and enhance their monitoring and collection function.

IV. COVERAGE

This PPG shall cover all national government agencies (NGAs), local government units (LGUs), government-owned or controlled corporations (GOCCs), government financial institutions (GFls), the constitutional commissions and the judiciary.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

V. POLICIES

A.

Identification of Delinquent Agencies

The Operations Group shall monitor and identify agencies, agency officials and/or employees who failed to deduct the full amount of loan amortization due from the member-borrower.

B.

Non-Suspension of Agencies

GSIS shall not suspend an agency who failed to deduct the full amount of loan amortization due from the member-borrower. Likewise, the member-employees' loan privileges shall not be suspended.

C.

Information on Loan Amortization Arrearages

The Operations Group shall provide agencies and member-employees with available information on periods when loan amortization arrearages were incurred and the corresponding amount thereof.

D.

Delinquent Agencies

1.

For purposes of this PPG, delinquent agencies refer to agencies that fail to deduct and remit the full amount of loan amortization due from the member-borrower.

2.

In case an agency fails to remit the full amount of loan amortizations on the 10th day of the following month (hereafter referred to as due date), the Operations Group shall:

a.

Through its branch managers, request for a meeting in writing, to be held within seven (7) days from due date, to Inform the head of agency that:

1)

GSIS has not received the loan amortization for a due month; and

2)

he or she, the official and/or employee in-charge of payroll and the member who incurred the loan may be held

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

administratively and criminally liable.

b.

If payment was not remitted after seven (7) days from the next remittance due date, send a demand letter (DL) immediately to the head of the delinquent agency containing the amount of unremitted loan amortizations, interest due, and the period/s covered, copy furnished the Agency Authorized Officer (AAO) and the head of the employees' union or association. In case the agency does not have an employees' union or association, a notice shall be sent to the Human Resources unit of the agency for posting in its bulletin boards.

c.

Send a second demand letter (SDL) to the delinquent agency which failed to settle the obligation within 30 days from receipt of the DL. The SDL shall reiterate the advice that upon failure to settle the delinquent payments within five (5) working days from receipt of the SDL, the matter shall be referred to Legal Services Group (LSG) for the filing of the appropriate legal action against the agency for the collection of loan amortization arrearages, and against the concerned officials and the member who incurred the loan for administrative and/or criminal liability.

The agency's AAO and head of employees' union, association, or HR unit, as the case may be, shall be furnished a copy of the SDL.

d.

Refer to LSG, within five (5) working days from release of SDL, a list of agencies that failed to settle their deficiencies. The referral shall include a copy of the Statement of Account (SOA), DL, SDL with proofs of receipt, and other pertinent documents required by LSG.

3.

The issuance of Final Demand Letter (FDL) and the monitoring of compliance thereto shall be done, to wit:

a.

Upon referral by the Operations Group:

1)

Within 15 days, the LSG shall prepare and send a FDL to the concerned officials and/or employee of the delinquent agency;

2)

The OUC shall monitor payment after the release of FDL and inform the LSG if payment is remitted or not within 30 days.

3)

Upon approval by the Board, the LSG shall, within 30 days, file the appropriate legal action as provided in Section 52 (g) of Republic Act No. 8291 against all responsible officials and employees who failed to deduct the full amount of the loan amortization due from the member-borrower.

E.

Acknowledgment of Compliant Agencies

The Operations Group shall take necessary action to recognize agencies who conscientiously comply with their role of ensuring that correct loan amortizations are collected diligently and remitted to the System promptly.

F.

Revisit Qualifications of Agency Authorized Officers (AAO)

The Operations Group shall review the existing qualifications of AAOs for purposes of improving their roles in the prompt and diligent collection of agency obligations. Further, a program for providing incentive to AAOs shall be adopted by the System.

G.

Reportorial Requirements

1.

Operations Group shall monitor the status of delinquent agencies and submit quarterly reports to LSG, copy furnished the Office of the President and General Manager (OPGM).

2.

LSG shall monitor the status of legal actions filed against delinquent agencies and submit quarterly reports of the same to OPGM, copy furnished Operations Group.

H.

Information Drive

The Corporate Communications Office (CCO) shall prepare information materials to disseminate this PPG to all GSIS executives, employees and stakeholders.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

VI. PROCEDURES

The detailed procedures contained in the Manual of Operations shall conform to general guidelines set forth in this PPG.

Activity

Responsible Unit

Central Office

Branch Offices

1. Generate positive billing every 3rd week of the previous month.

Example: If the due month is March, billing generation is on the 3rd week of February.

ITSG/TSD

2. Validate positive billing within the day from receipt of billing files

Accounts
Management Division (AMD)
AMD

Billing, Collection and
Reconciliation Division
(BCRD) BCRD

3. Distribute positive billing to agencies every 1st week of the due month.

Example: If the due date is March, the billing distribution shall be on the 1st week of March.

4. Monitor payment of the Remitting Agency (RA)

4.1 If payment was remitted on or before the due date, post payment.

Example: If the due month is March, the payment must be remitted by the RA on or before April 10.

Treasury Unit

4.2 If payment was not remitted within due date, request for a meeting with the head of agency to be held not later than seven (7) days from due date, in accordance with Section V.D.2.a.

NCR I, II, III and
QC Manager

Branch Manager/Head

5. Monitor payment of the RA after seven (7) days from next remittance due date.

AMD

BCRD

5.1 If payment is remitted, post payment

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

Treasury Unit

5.2 If payment was not remitted after seven (7) days from the next remittance due date, send Demand Letter (DL), copy furnished the AAO and the head of the employees' union or association or the Human Resources (HR) unit of the agency for posting in its bulletin boards.

BCRD

6. Monitor payment of the RA after receipt of DL

AMD

BCRD

6.1 If payment is remitted within 30 days, post payment.

Treasury Unit

6.2 If payment is not remitted within 30 days, send a Second Demand Letter (SDL), copy furnished the AAO and the head of the employees' union or association, or the HR unit for agencies without employee's union or association.

NRC I, II, III, and
QC Manager

Branch Manager/Head

7. Monitor payment of the RA after receipt of SDL.

AMD

BRCRD

7.1 If payment is remitted within five (5) working days, post payment.

Treasury Unit

7.2 If payment is not remitted within five (5) working days, refer to LSG

SVP concerned

8. Prepare and send Final Demand Letter (FDL) to delinquent agency within 15 days, copy furnished OUC.

LSG

9. Monitor payment after receipt of the FDL.

AMD

BCRD

9.1 If payment is remitted within 30 days, post payment

Treasury Unit

9.1.1 Inform LSG of the payment through concerned SVP, Operations Groups

NCR I, II, III, and

QC Manager

Branch Manager/Head

9.2 If payment is not remitted within 30 days, inform LSG through concerned SVP, Operations Groups, for filing of appropriate legal action.

10. Within 30 days upon approval by the Board, file appropriate legal action against the head of the delinquent agency and all responsible officials and/or employees, as provided in Section 52(g) of Republic Act No. 8291.

LSG

END OF PROCESS

All Office Orders, Policy and Procedural Guidelines, Circulars which are inconsistent herewith are hereby superseded, modified, or repealed accordingly.

This PPG shall take effect after fifteen (15) days from the date of its publication in the Official Gazette or in a newspaper of general circulation.

(SGD) ROBERT G. VERGARA
President and General Manager
Date Signed: 03 January 2014

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.