

REVISED GUIDELINES IN THE IMPLEMENTATION OF AUTHORIZED PAY DEDUCTION SCHEME

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1. REFERENCES:

- a. Section 43, RA 10147 (General Appropriations Act (GAA) Fiscal Year 2011);
- b. LS Legal Opinion dated August 11, 2003 clarifying its Legal Opinion dated August 7, 2003;
- c. PNP ASDPC Circular No. 01-2002 dated March 12, 2002 re Guidelines in the Implementation of the Authorized Salary Deduction Pursuant to Section 36 of RA 9162, GAA for FY 2002;
- d. PNP Circular No. 22-01 Revised Guidelines in the Implementation of the Authorized Pay Deduction Scheme for the Purpose of Amending SOP No. 4 as Amended;
- e. Fiscal Directive No. 20-001 “Authorized to Collect Service Fees; and
- f. PNP-COA Audit Observation Memo dated September 9, 2003.

2. PURPOSES:

- a. To establish policies and procedures in furtherance of Section 43, of RA 10147 and improve the system of payment of loans contracted by PNP members in order to strengthen the PNP Authorized Salary Deduction Scheme; and
- b. To protect the best interest of the PNP organization and its members by imposing sanctions against accredited entities that violate existing laws, rules, and regulations in the implementation of the automatic salary deduction scheme.

3. POLICIES/GUIDELINES:

- a. Except as may otherwise be provided by law, it shall be unlawful for a treasurer or other fiscal officer to draw or retain from the salary due an officer or employee, any amount for contribution or payment of obligations other than those due the government or its instrumentalities (Section 66, Title 1 (A), EO 292);
- b. The payment of debts and other obligations incurred by PNP personnel from different financial institutions, whether governmental or non-governmental, shall be their own look out and the PNPs shall not in any way interfere therewith nor a party of obligation thereof unless allowed by law and/or to protect their interest; and
- c. The accreditation of institutions/entities in the Authorized Pay Deduction Scheme of the PNP is only a privilege that can be withdrawn anytime by the C, PNP. Since the privilege is intended to assist PNP personnel in the payment of their loans, it should therefore be limited to those institutions/entities that can optionally service the financial needs of the PNP personnel.

4. COVERAGE:

- a. The authorized pay deduction scheme may be extended to the following entities:
 1. The BIR, GSIS, HDMF, and PHILHEALTH;
 2. Mutual benefits associations, thrift banks and non-stock savings and loan associations duly operating under existing laws which are managed by and/ or for the benefit of government employees;
 3. Associations/cooperatives/provident funds organized and managed by government employees for their benefit and welfare; and
 4. Duly licensed insurance companies accredited by national government agencies;

PROVIDED, that such deductions shall not reduce the employees monthly net take home pay from the basic pay and not less than Six Thousand Pesos (Php 6,000.00) (Three Thousand Pesos Php 3,000.00 from basic pay and Three Thousand Pesos Php 3,000.0 from Subsistence Allowance) after all authorized deductions: PROVIDED, FURTHER, That in the event total authorized deductions shall reduce net take home pay to less than authorized deductions under item (a) shall enjoy first preference, those under item (b) shall enjoy second preference, and so forth.

b. A substantial change in the coverage of authorized deductions in future GAAs automatically forms part of the coverage of this circular.

5. COMPOSITION AND FUNCTIONS OF THE PNP ACCREDITATION AND SALARY DEDUCTIONS PROCESSING COMMITTEE:

a. There shall be created a PNP Accreditation and Salary Deductions Processing Committee (ASDPC) composed of the following:

DD for Comptrollership
- Chairman

DD for Personnel and Records Management - Vice

Chairman Deputy Director, Computer Service - Member

Deputy Director, Finance Service - Member

Deputy Director, Legal Service - Member

Chief, Management Division, DC - Member/Head, Secretariat

b. The Committee shall be responsible for:

1. The accreditation of entities authorized by law to avail of the scheme other than entities of the government subject to the approval of the Chief, PNP;
2. The entering, through its Chairman, into Memorandum of Agreement (MOA) with accredited entities for the availment of the scheme subject to the approval of the Chief, PNP;
3. The incorporation in the MOA of a provision for the payment of service fee which shall be 1.0% of the total monthly collections made in favor of the accredited entity. The Committee, if warranted and if it will not unduly burden PNP personnel, could negotiate for another rate prescribed herein.
4. The monitoring of the collection of service fees and their disposition in accordance with laws, rules, and regulations so as to negate unauthorized disbursement;
5. The submission of reports with regard to their activities and such other matters that should be brought to the attention of the Chief, PNP; and
6. The performance of other related functions to ensure efficient and effective implementation of the scheme.

c. A quorum of the Committee shall be composed of the Chairman or, in his absence, the Vice-Chairman plus two members. The presence of a quorum is sufficient to carry out the business of the committee and to decide issues pending before it, provided the absent members have been duly notified;

d. The committee shall have authority to promulgate its own rules and procedures in conducting its business and impose requirements for accreditation which, from time to time, may be revised to be more flexible and attuned to developments on financial and legal matters;

e. To assist the Committee in the conduct of its business, as Secretariat is hereby constituted headed by the Chief, Management Division, Directorate for Comptrollership; f. The Secretariat is responsible for the processing of all

applications for accreditation. It shall determine and ensure that all the requirements set forth by the committee are complied with; and

g. The Secretariat shall be responsible for the keeping of all records of the Committee the preparation of the issuances, correspondence and minutes of proceedings, and the performance of such other functions that the Committee may require from time to time.

6. PROCEDURES:

- a. All applications for accreditation shall be accompanied by prepared MOAs and shall be processed by the ASDPC Secretariat. Upon completion of the processing, the Head Secretariat shall submit a recommendation to the Committee to convene for evaluation/ consideration of the application. The Committee Resolution shall be transmitted to the Chief, PNP for approval
- b. Once the application papers are approved, the accompanying prepared MOA shall be signed by the parties;
- c. The approved Resolution shall then be transmitted to the Finance Service by the Head, Secretariat for implementation, copy furnished the members of the Committee;
- d. The MOA entered into by any accredited entity with the PNP thru the Committee shall be valid for a period of two (2) years from the date of its approval by the Chief, PNP and may be renewed upon compliance with the requirements for such purpose;
- e. No deduction shall be made in favor of any entity not duly accredited by the PNP ASDPC;
- f. The committee shall issue Deduction Codes under the following classifications:

1. Government

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2. BIR,GSIS, HDMF and PHILHEALTH

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3. Thrift Banks and non-stock savings and loan associations

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4. Mutual Benefit Associations

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5. Associations/Cooperatives/provident funds

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6. Accredited insurance companies

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- g. Prior to the implementation of the automatic salary deduction, the accredited entity shall furnish the Finance Service with a monthly list of names of PNP personnel who have financial obligations together with the complete details on the computation of rates and charges, and other documents pertinent to the transactions ; and
- h. The Finance Service in coordination with the Information Technology Management Service shall submit a report, on a monthly basis, to the Committee (Attn: ASDPC Secretariat) regarding the implementation of this Circular.

7. PENAL PROVISIONS:

Any accredited entity/institution which shall violate their MOA with the PNP or laws, rules and regulations in the implementation of the automatic salary deduction scheme, after notice and hearing shall be penalized with suspension of accreditation for six months, and subsequent violation shall merit cancellation of accreditation and withholding of the privilege to be accredited by the PNP.

8. RECISSION:

All previous issuances inconsistent with any provisions of this PNP Circular are hereby rescinded accordingly.

9. EFFECTIVITY:

This Circular shall take effect fifteen (15) days from the filing of a copy hereof at the University of the Philippines Law Center in consonance with Section 3 & 4 of Chapter 2, Book VII of Executive Order No. 292, otherwise known as "The Revised Administrative Code of 1987" as amended.

Adopted: 19 May 2011

(SGD.) ATTY. RAUL M. BACALZO, Ph.D.

Police Director General

Chief, PNP

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