GUIDELINES IN THE IMPLEMENTATION OF THE AUTHORIZED DEDUCTIONS PURSUANT TO SECTION 36 OF RA 9206 GAA FOR FY 2003

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I. REFERENCES:

1. Sections 36, RA No. 9206, otherwise known as the General Appropriations Act (GAA) for Fiscal Year 2003.

2. LS Legal Opinion dated August 11, 2003 clarifying its Legal Opinion dated August 7, 2003.

3. PNP ASDPC Circular No. 01-2002 dated March 12, 2002 re Guidelines in the implementation of the Authorized Salary Deductions Pursuant to Section 36, of RA 9162, GAA for FY 2002.

4. PNP Circular No. 22-01, Revised Guidelines in the Implementation of the Authorized Pay Deductions Scheme for the Purpose of Amending SOP No. 4, as Amended.

5. PNP-COA Audit Observation Memo dated September 9, 2003; and

6. Other related laws, policies and issuances.

II. PURPOSE:

To establish policies, systems and procedures in furtherance of Section 36, RA 9206 in order to strengthen the PNP Authorized Salary Deduction Scheme and to protect the best interest of the PNP organization and its members by imposing sanctions to accredited entities which shall violate existing laws, rules and regulations in the implementation of the automatic salary deduction scheme.

III. POLICIES/GUIDELINES:

1. The payment of debts and other obligations incurred by PNP personnel from different financial institutions, whether government or non-government, shall be their own look out and the PNP shall not in anyway interfere therewith unless allowed by law. In cases where the law allows deductions to be made from the salary of the PNP personnel to satisfy obligations, whether statutory or contractual, the PNP, through the PNP Accreditation and Salary Deduction Processing Committee (ASDPC), shall ensure that his monthly net take home pay shall not be less than PhP 3,000.00 and that the pay deductions shall only be made in favor of those entities which the law recognizes and duly accredited pursuant to this Circular.

2. The authorized pay deductions scheme can be availed of and may be extended to the following entities:

- Government Financial Institutions

- GSIS, HDMF, PHIC, AFPMBAI, and BIR;

- Mutual Benefit Associations (MBAs);

- Associations/Cooperatives organized and managed by government employees for their benefit and welfare; and

- Those specifically authorized by existing laws.

3. Private lending institutions and other entities which are not included in the enumeration in Section 36, RA No. 9206 shall not be accredited under the automatic salary deduction scheme.

4. Government Financial Institutions, the GSIS and other agencies of the National Government need not be accredited by the Committee for purposes of availing of the scheme.

5. Immediate cancellations of existing deductions owing to all private groups/associations accredited in the PNP Authorized Salary Deductions Scheme who are no longer allowed by law to avail of the same.

6. Applications for accreditation may be processed for those entities specifically allowed by existing laws to avail of the authorized deductions, subject to existing PNP policies and this circular.

IV. PROCEDURES:

1. All applications for accreditation shall be processed by the Accreditation and Salary Deductions Processing Committee (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 Chief, PNP for approval.

2. The approved Resolution shall be transmitted to the Finance Service by the Head, Secretariat for Implementation, copy furnished the members of the Committee.

3. No deduction shall be made in favor of any entity not duly accredited by the PNP Accreditation and Salary Deduction Processing Committee (ASDPC).

4. The Committee shall issue Deduction Codes under the following classifications:

a. Savings and Loans

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b. Mutual Benefits

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c. Cooperatives

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d. Associations organized and managed by PNP personnel for their benefit and welfare

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5. Prior to the implementation of the automatic salary deduction, the accredited entity shall furnish monthly the Finance Service with an accurate list of names of PNP personnel who have financial obligations together with the

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complete details on the computation of rates and charges, and other documents pertinent to the transactions.

6. The Finance Service in coordination with the Computer Service shall submit a report, on a monthly basis, to the Committee (Attn: ASDPC Secretariat) regarding the implementation of this Circular.

7. Should a PNP member obtain a credit/loan, the monthly amortization of which could not be accommodated by his salary, the order of priorities in effecting deductions shall be as follows:

- Deductions in favor of the government;

- Deductions of premiums for insurance and contributions to associations, cooperatives, and similar organizations; and

- Deductions in favor of private lending entities in payment of financial obligations, such as salary loans, educational loans, etc., which shall be made on a first come, first served basis and which shall not impair the PhP 3,000.00 net take home pay.

V. PENAL PROVISIONS:

Any entity/institution which shall violate existing laws, rules and regulations in the implementation of automatic salary deduction scheme, after notice and hearing, shall be penalized with suspension of accreditation for six (6) months, and subsequent violation shall merit cancellation of accreditation and withholding of the privilege to be accredited by the PNP.

VI. RESCISSION:

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

VII. EFFECTIVITY:

This Circular shall take effect fifteen (15) days after filing with the University of the Philippines Law Center.

Date Filed: 16 Oct. 2003

(SGD.) HERMOGENES E. EBDANE, JR.
Police Director General
Chief, PNP

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