

LETTER OF INSTRUCTIONS NO. 1102, January 13, 1981

LETTER OF INSTRUCTIONS NO. 1102, January 13, 1981

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/dc9ad0d0e83c/>

TO:

The Ministry of the Budget
The Ministry of Finance
The Ministry of Local Government & Community

Development

The Heads of Local Governments
The Managing Heads of All Government-Owned or

Controlled Corporations

The Commission on Audit

SUBJECT :

Adoption of Agency Accounting System for Compulsory Contributions/Premiums to Facilitate Remittance of Contributions under PD 1146, RA 6111, and PD 626.

WHEREAS, the social-security and insurance program of the Philippines is internationally recognized as one of the most advanced programs in the world both in number of contingency benefits and scope of application;

WHEREAS, the benefits under the program become meaningful and serve the purpose intended by the law only if they are paid in right amounts to the rightful claimants when and as they fall due;

WHEREAS, the expeditious settlement of these benefits for government employees depends to a large measure on the prompt payment and systematic accounting of the contributions mandated by law to be remitted to the Government Service Insurance System;

WHEREAS, the Government Service Insurance System, recognizing this need, has prescribed an Agency Accounting System to effectively and efficiently account for all contributions provided under the Revised Government Service Insurance Act of 1977 (PD 1146), Philippine Medical Law (RA 6111), and the Employees' Compensation Law (PD 626) to fund the sickness income, medical Care, disability, life insurance, old age, death,

employees compensation and survivorship benefits granted to government employees under the said laws;

WHEREAS, the cooperation and assistance of all government agencies are needed in the implementation of the Agency Accounting System;

NOW, THEREFORE, I FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby order and instruct:

SECTION 1. The Ministry of the Budget and the managing heads of all government-owned or controlled corporation shall remit directly to the Government Service Insurance System quarterly in advance the government shares of the compulsory contributions due under Presidential Decree No. 1146, Republic Act No. 6111, and Presidential Decree No. 626, as amended, from the approved appropriations of all the bureaus, offices and agencies of the National Government and the government-owned or controlled corporations. In case certain positions in approved budget are not filled up or become vacant, the unearned contributions for the period covered by the advance payment shall be credited or applied to the next remittance of the agency concerned. The personal shares of the compulsory contributions shall be deducted by the agency from the salaries of its employees and shall be remitted to the System on or before the tenth (10th) day of the month following the month to which the said personal contributions apply. The remittance shall be supported by a Premium Remittance Advice prescribed by the System.

SECTION 2. The heads of local governments shall likewise remit directly to the GSIS their shares of compulsory contributions due under the laws mentioned in the preceding paragraph from their approved special budget subject to the same conditions stated in Sections 1 hereof. The Ministry of Finance and the Ministry of Local Governments and Community Development are hereby enjoined to assist in the implementation of this provision affecting the local governments' compulsory contributions by prescribing the necessary rules and regulations applicable in the matter.

SECTION 3. The Ministry of the Budget, in accordance with existing budgetary policy, shall prescribe rules and regulations related to the remittance to the GSIS of the compulsory contributions with the end in view of ensuring that contributions made shall be in accordance with the number of government official: and employees actually covered by the system pursuant to the Provisions of the above-cited laws.

SECTION 4. All agencies shall remit to the System all outstanding compulsory contributions payable under Presidential Decree No. 1146 and its antecedent laws, Republic Act No. 6111, and Residential Decree No. 626, as amended, including personal and government shares, as appearing in their books of accounts as of a cut-off date to be determined by the System duly verified by the representatives of the Commission on Audit.

SECTION 5. The System shall consider as fully paid all compulsory contributions of the agencies concerned, including personal and government shares, upon receipt of their remittance made under the preceding paragraph, subject to such rules and regulations as may be prescribed by the System.

SECTION 6. The System shall collect from the ministry of agency concerned any undeducted and/or unremitted compulsory contributions that may be found outstanding upon verification by the GSIS, with recourse by the said agencies 'to deduct from the employees' salaries their corresponding unpaid personal shards. This is, however, without prejudice to the application of appropriate remedies and penalties provided under existing laws and decrees for nondeduction, nonremittance, and/or misappropriation of the contributions/premiums due the System.

SECTION 7. The System shall issue the necessary circular to implement the provisions of this Letter of Instructions.

SECTION 8. This Letter of Instructions shall take effect immediately.

DONE in the City of Manila, this 13th day of January, 1981.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

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.