



Republic of the Philippines
Department of Education

15 FEB 2018

DepEd **O** R D E R
No. **05** s. 2018

**IMPLEMENTATION OF P 5,000.00 NET TAKE HOME PAY
FOR DEPARTMENT OF EDUCATION PERSONNEL**

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Directors
Schools Division Superintendents
Public Elementary and Secondary Schools Heads
All Others Concerned

1. Section 48 of the General Provisions of Republic Act No. (RA) 10964, the General Appropriations Act for Fiscal Year 2018, entitled, *An Act Appropriating Funds for the Operation of the Government of the Republic of the Philippines from January One to December Thirty One, Two Thousand and Eighteen, and for Other Purposes*, provided for Authorized Deductions, as follows:

Sec. 48. Authorized Deductions. Deductions from salaries and other benefits accruing to any government employee, chargeable against the appropriations for Personnel Services, may be allowed for the payment of an individual employee's contributions or obligations due to the following, and in the order of preference stated below:

- (a) The BIR, PHILHEALTH, GSIS and HDMF;*
- (b) Non-stock savings and loan associations and mutual benefit associations duly operating under existing laws and cooperatives which are managed by and/or for the benefit of government employees;*
- (c) Associations or provident funds organized and managed by government employees for their benefit and welfare;*
- (d) GFIs authorized by law and accredited by appropriate government regulating bodies to engage in lending;*
- (e) Licensed insurance companies; and*
- (f) Thrift banks and rural banks accredited by the BSP.*

In no case shall the foregoing deductions reduce the employee's monthly net take home pay to an amount lower than Five Thousand Pesos (P5,000).

2. The Net Take Home Pay (NTHP) threshold is mandatory. Any financial obligation incurred by any personnel of the Department of Education (DepEd) shall not be deducted from his/her monthly salary if such deduction will lower his/her NTHP beyond the P5,000.00 threshold. No waivers effectively reducing the NTHP shall be allowed.

3. The order of preference as stated in Section 48 means that the authorized entities enumerated follow a sequential hierarchy.

- a. The payment for employees' contributions or obligations to the Bureau of Internal Revenue (BIR), Philippine Health Insurance Corporation (PhilHealth), Government Service Insurance System (GSIS), and Home Development Mutual Fund (HDMF), shall be accorded first order of preference in deductions from their salaries. For the proper guidance of all concerned, employees' contributions or obligations to the GSIS and HDMF include both premiums and loans.
- b. In the categories covered by Section 48, paragraphs (b), (c), (d), (e), and (f), the "first-in, first-served" system, which is based on the date of receipt of the Authority to Deduct, shall be applied to contributions and obligations within each category.
- c. There shall be no splitting of deductions covered by Section 48, paragraphs (b), (c), (d), (e), and (f).

This order of preference shall apply to both existing and new obligations.

4. The loans on record that cannot be deducted because of the NTHP threshold shall be reflected in the payslip as Undeducted Obligations.

5. All termination dates for deductions under payroll records at the time of this issuance, or as indicated in the Authority to Deduct for obligations, shall not be extended, notwithstanding that these fall under the Undeducted Obligations.

6. All DepEd personnel are reminded of the consequences of applying for loans with lending institutions. Delay in the payment of loans may result in the imposition of penalties and accrued interests by the PLIs and the GSIS. DepEd personnel whose loans are not deducted under the APDS are advised to pay their loans directly to their respective lenders.

7. The Undersecretary for Finance–Disbursements and Accounting (DA), in coordination with all appropriate offices at the central and field offices, shall effect the necessary adjustments in the payroll deduction schedule pursuant to the provisions of this Order.

8. This Order shall take effect immediately upon its issuance.

9. Heads of offices and of schools are ordered to post this Order in conspicuous places within their premises.

10. Immediate dissemination of and strict compliance with this Order is directed.


LEONOR MAGTOLIS BRIONES
Secretary

References:

DepEd Order Nos.: 55, 38, 27 and 12, s. 2017

To be indicated in the Perpetual Index
under the following subjects:

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