



REPUBLIKA NG PILIPINAS
 REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON
 DEPARTMENT OF EDUCATION
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DepEd MEMORANDUM
 No. **95**, s. 2003

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DISSEMINATION OF GSIS MEMORANDUM CIRCULAR NO. 4-2002
(Removal of the Limit on the Average Monthly Compensation (AMC)
and the Revised Schedule of Contributions Under RA 8291
Effective January 1, 2003)

To: Undersecretaries
 Assistant Secretaries
 Bureau Directors
 Directors of Services/Centers and Heads of Units
 Regional Directors
 Schools Division/City Superintendents
 Heads, Public Elementary and Secondary Schools
 All Others Concerned

1. For the information and guidance of all concerned, enclosed is a copy of Government Service Insurance System (GSIS) Memorandum Circular No. 4-2002 entitled "Removal of the Limit on the Average Monthly Compensation (AMC) and the Revised Schedule of Contributions under Republic Act No. 8291 (otherwise known as the GSIS Act of 1997) effective January 1, 2003, which is self-explanatory.
2. Immediate dissemination of this Memorandum is desired.


 EDILBERTO C. DE JESUS
 Secretary 

Encl.:
 As stated

Reference:
 None

Allotment: 1—(D.O. 50-97)

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

CONTRIBUTIONS

EMPLOYEES

OFFICIALS



PASEGURUHAN NG MGA NAGLILINGKOD SA PAMAHALAAN
(GOVERNMENT SERVICE INSURANCE SYSTEM)
Financial Center, Pasay City, Metro Manila 1308

October 30, 2002

MEMORANDUM CIRCULAR NO. 4-2002

TO : ALL HEADS OF DEPARTMENTS AND COMMISSIONS, PRESIDENTS OF STATE UNIVERSITIES AND COLLEGES, CHIEFS OF BUREAUS AND OFFICES, MANAGING HEADS OF GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS, ACCOUNTING, FINANCE, COLLECTING AND/OR DISBURSING OFFICERS THEREOF, AUDITORS, METRO MANILA/PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS AND TREASURERS, ALL GSIS MEMBERS AND OTHERS CONCERNED

SUBJECT : REMOVAL OF THE LIMIT ON THE AVERAGE MONTHLY COMPENSATION (AMC) AND THE REVISED SCHEDULE OF CONTRIBUTIONS UNDER R.A. 8291 EFFECTIVE JANUARY 1, 2003

The GSIS Board of Trustees approved under Board Resolution No. 110 dated April 17, 2002 and Board Resolution No. 152 dated June 5, 2002, the removal of the limit on the average monthly compensation (AMC) under Republic Act No. 8291 (otherwise known as the GSIS Act of 1997) effective January 1, 2003. The AMC is the basis, apart from the length of service, in determining the amount of mandated benefits under RA 8291. It is average of the basic monthly compensation for (a) the last three years of service if the member is in the service for three years or more; or (b) the actual number of months of service if the member is in the service for less than 36 months.

The removal of the limit of the AMC, currently at P16,000.00, is in line with the authority vested by the law to the Board of Trustees to set the AMC limit, formulate policies and approve guidelines on increased benefits of members (specifically under Section 2 paragraph 1 and Section 43, paragraphs a and g of R.A. 8291).

As a result of this new policy, the following benefits of members with AMC of more than P16,000.00 are increased:

1. The maximum basic monthly pension (BMP) will no longer be limited to P14,400.00 but will be computed at 90% of the AMC without the cap. Thus, the maximum BMP of a member with an AMC equivalent to P30,000.00 will be P27,000.00 instead of P14,400.00.

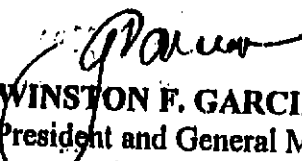
2. The limits on maximum survivorship pension and dependents' pension, which are 50% and 10%, of the BMP, respectively, will also be lifted. Thus, the spouse of a pensioner with maximum monthly pension of P27,000.00 (under the no-AMC limit policy) will receive a monthly survivorship pension of P13,500.00 instead of the present P7,200.00 and the eligible dependents will receive a monthly dependents' pension of P2,700.00 each instead of the current P1,440.00.
3. The unemployment monthly cash payment, which is 50% of the AMC, will no longer be limited to the maximum of P7,200.00.
4. The 5-year lumpsum and cash payments paid for retirement/old-age, disability and survivorship benefits will, consequently, be adjusted upwards in accordance with the computed AMC without the P16,000.00 limit.

Considering that the members' contributions are based on the monthly compensation, the lifting of the cap on the AMC will have a corresponding effect on the mandatory contributions of members with salaries above the current AMC limit. Relative to this, beginning January 1, 2003, the mandatory contributions will follow the schedule below:

Monthly Compensation (MC)	Employee's Share	Employer's Share
Basic Salary = MC	9% of MC	12% of MC

This will mean an increase in the personal share of the monthly contributions of members earning basic salaries of more than P16,000.00 per month. The increase is equivalent to 7% of the difference between the basic monthly salary and the current P16,000.00 AMC limit. On the other hand, there is no increase in the personal contributions of members receiving basic monthly salaries of less than P16,000.00, but their contributions will be correspondingly adjusted should their basic monthly salaries exceed P16,000.00 in the future.

Please be guided accordingly.


WINSTON F. GARCIA
 President and General Manager