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MAR 16 2004

DepED MEMORANDUM
No. **134**, s. 2004

**NATIONAL GOVERNMENT AGREEMENTS WITH GSIS
ON THE HANDLING OF TEACHER BENEFITS AND PREMIUMS**

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Regional Directors
Directors of Services/Centers and Heads of Units
Schools Division Superintendents
Heads, Elementary and Secondary Schools
Teachers

1. Through the initiative of President Gloria Macapagal Arroyo, the Department of Education and the GSIS have reached agreement on how to resolve the current difficulties teachers and DepED personnel have in accessing benefits from the state pension fund.¹ This agreement is part of a larger four-point agreement involving all of the National Government.

2. Reconciliation of Teacher/Member records. In the agreement forged, GSIS will reconcile its records with that of DepED. This is to be done immediately. In case of any discrepancy, the DepED service records will be used as the basis for the GSIS Membership Service Profiles.

2.1 GSIS has or will be sending to each teacher a copy of their individual statement of accounts (SOAs) which contains the membership service profile (MSP), record of creditable service (RCS) and outstanding loan balances. Official receipts held by DepED reveal that there is still a lot of posting to be undertaken by GSIS on the part of teacher records. Teachers should review their individual statement of accounts and make corrections or notes if the records are not in order and reflect their corrections in the feedback sheet furnished them.

¹ Historically, over 500,000 teachers and non-teaching personnel of DepED have been the largest contributor and client of the state pension fund. Since 1997, DepED and the teachers themselves have contributed over P65 Billion to GSIS in members' premiums or an average of over P10 Billion a year, both in personal and government shares, representing the largest portion of the pension fund's annual revenues.

- 2.2 Teachers should note if their service record in the GSIS MSP is deficient or incomplete or wrong, especially salary information. Teachers should submit corrections (feedback sheet) to their respective division office. Division offices are to ensure that the right service record information is reported to their local GSIS office.
3. Unpaid 1997-98 premium differential (Government Share). As for the 1997-98 unpaid premium differential (when the government share to GSIS was increased from 9% to 12% but with no corresponding National Budget cover at that time), the National Government and GSIS are to present to Congress a proposal on how to address this deficiency.
 - 3.1 Once transmitted, GSIS will recognize full credit for this unpaid premium differential in all teacher accounts. At no time now will a teacher be charged for this unpaid premium differential. Any teacher being so charged should report this immediately to DepED.
 - 3.2 Further, GSIS will lift the suspension on members' loan privileges for as long as the agency has been remitting the personal share and loan repayments of their employees. DepED puts it on record that it is current in both respects.
4. Restructuring of outstanding salary loans with arrearages. Upon application of the members, GSIS will restructure their outstanding salary loans with arrearages under the "Enhanced Salary Loan Program", which will be available on 12 April 2004. (NOTE: Teacher/Members must apply for restructuring of old loans. This is not automatic on the part of GSIS)
 - 4.1 The program will allow teacher/members to restructure outstanding salary loans with arrearages capitalizing interest owed but waiving all penalties. The restructured loan shall be treated as a new loan and will be charged an effective interest rate of 12% per annum based on diminishing balance of the loan.
 - 4.2 Under the "Enhanced Salary Loan Program" member borrowers can choose different repayment periods (12, 24, 36 or 48 months).
5. New Salary Loan Program. GSIS is offering a "New Salary Loan Program" starting 15 March 2004. The new loan facility will allow members to borrow the equivalent of one month salary.
 - 5.1 Details of the Facility require that teacher/members have 36 months of government service. If a new teacher/member has less than 36 months, they are still eligible to borrow but only with a co-maker. A co-maker must be a permanent government employee who has rendered at least ten years of service.
 - 5.2 Please refer to the attached GSIS brief for details of the new Facility.
6. Organization of DepED Regional, Division Offices and High Schools. To prepare for all of the above requirements, including the new loan programs, each regional and

division office and financially autonomous high school are to appoint GSIS Liaison Officers.

- 6.1 Liaison officers are to make sure that teacher/member documents are transmitted on a regular basis to the GSIS office concerned.
- 6.2 For the "Enhanced Salary Loan Program" and the "New Salary Loan Program", Liaison Officers are to collect teacher/member applications, check these for completeness and submit the same on the following schedule for the next 30 days:
 - 6.2.1 Collection and checking of ESLP and NSLP applications – Every working day by 5 p.m.
 - 6.2.2 Submission of ESLP and NSLP applications to GSIS – The following day by 9 a.m.
- 6.3 The above daily schedule has been agreed with GSIS Management to:
 - 6.3.1 Ensure that applications are acted on promptly;
 - 6.3.2 Decongest GSIS offices so as to ensure efficient processing of applications;
 - 6.3.3 Develop stronger institutional working relationships with DepED offices and schools.
- 6.4 Liaison Officers are to look for the "Teacher/Members' Window" in submitting applications to GSIS.

7. Immediate dissemination of this Memorandum to all levels is desired and so ordered.

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DepED welcomes the changes in GSIS as a way of professionalizing and modernizing Government in general. This is consistent with the DepED program for professionalizing our own department.

Any teacher who continues to experience difficulties in accessing GSIS benefits due them or who encounter poor treatment, should report this to the Department through the DETxt messaging service (0919-456-0027). Please be reminded to use your full name and teacher ID number in giving any feedback through DETxt.


EDILBERTO C. DE JESUS
Secretary

Reference:
None

Allotment: 1—(D.O. 50-97)

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

BENEFITS
EMPLOYEES
TEACHERS