



Republic of the Philippines
Department of Education

25 JUN 2019

DepEd ORDER
No. **014**, s. 2019

**IMPLEMENTATION OF THE P5,000 NET TAKE HOME PAY FOR THE DEPARTMENT
OF EDUCATION PERSONNEL FOR FISCAL YEAR 2019**

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

1. The Department of Education (DepEd) issues the enclosed guidelines for the **Implementation of the P5,000 Net Take Home Pay (NTHP)** relative to the issuance of Republic Act No. 11260 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 Nineteen and for Other Purposes**, or the General Appropriations Act (GAA) for Fiscal Year (FY) 2019.
2. These guidelines provide procedures for the proper implementation and compliance with the applicable provisions of the FY 2019 GAA and the President's Veto Message, in connection with the Automatic Payroll Deduction System Program of the Department.
3. All previous Orders pertaining to the implementation of the NTHP of DepEd personnel, including, but not limited to, DepEd Order Nos. 5, s. 2018; 55; 38 and 27, s. 2017, are repealed. All other rules, regulations and issuances, which are inconsistent with these guidelines, are modified accordingly.
4. This Order shall take effect immediately and remain in force, until it is repealed, amended or rescinded.
5. Heads of offices and of schools are ordered to post this Order in conspicuous places within their premises.
6. Immediate dissemination of and strict compliance with this Order is directed.


LEONOR MAGTOLIS BRIONES
Secretary

Encl.: As stated

Reference: DepEd Order (Nos.: 5, s. 2018; 55; 38 and 27, s. 2017)

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

BENEFITS
DEDUCTIONS
EMPLOYEES
OFFICIALS

PAYMENTS
POLICY
SALARY

**GUIDELINES FOR THE IMPLEMENTATION OF THE P 5,000.00
NET TAKE HOME PAY FOR DEPARTMENT OF EDUCATION
PERSONNEL FOR FISCAL YEAR 2019**

I. RATIONALE

1. The Administrative Code of 1987 expressly prohibits deductions from the salaries of government employees for services rendered, unless expressly authorized by law¹. As an exception, General Appropriations Acts (GAAs) for previous years provided for authorized deductions from the salaries and benefits accruing to government employees, with required order of preference for deductions and limitation that deductions should not reduce the employee's monthly net take home pay (NTHP) to an amount lower than the threshold stated therein. Correspondingly, the Department issued guidelines for the implementation of these provisions in the respective GAAs enacted in previous years.

2. The GAA of FY 2019 (Republic Act No. [RA] 11260), incorporating the President's Veto thereon, provides for the foregoing for the current fiscal year, but with notable differences from equivalent provisions in the FY 2018 GAA. In order to implement and comply with the applicable provisions in the FY 2019 GAA and the President's Veto Message on the subject, ensure that teachers receive the mandated minimum monthly NTHP of P5,000, and instill discipline in contracting financial obligations from authorized entities, these guidelines are being issued.



II. SCOPE

3. These guidelines shall apply to all employees of the Department, inclusive of teaching, teaching-related, and non-teaching personnel, whose salaries are paid from the Department's appropriations for Personnel Services. Accordingly, all payroll servicing units of the Department in all governance levels shall also follow these guidelines.

III. POLICY STATEMENT

4. This Order aims to provide guidelines and procedures for the payment of contributions and obligations and the implementation of the P5,000.00 NTHP, consistent with the provisions of the FY 2019 GAA and the President's Veto Message in relation to the Automatic Payroll Deduction System (APDS) Program of the Department, which shall be governed by the following rules:

- a. Section 52 of the General Provisions of RA 11260, the General Appropriations Act for Fiscal Year 2019, 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 Nineteen and for Other Purposes*, provided for Authorized Deductions, as follows:

¹ Section 66, Title I (A) of Executive Order No. 292, also known as the "Administrative Code of 1987", as amended provides:
Section 66. Liability of Disbursing Officer. – Except as may otherwise be provided by law, it shall be unlawful for a treasurer or other fiscal officer to draw or retain from the salary due an officer or employee, any amount for contribution or payment of obligations other than those due the government or instrumentalities.

Sec. 52. 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:

- (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) GFI's 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; ~~and~~
- ~~(g) Financing companies and other similar entities that have authority to engage in lending and mutual benefits or mutual aid system as stated in their respective constitutions and by laws approved by government regulating bodies.]~~

(DIRECT VETO AND CONDITIONAL IMPLEMENTATION – President's Veto Message, April 15, 2019. Volume 1-B, pages 959 and 964, R.A. No. 11260)

Obligations due to the BIR, contributions due to the PHILHEALTH, GSIS and HDMF, and GSIS and HDMF loans shall be satisfied ahead of all other obligations. The remaining obligations due to other entities listed above shall be satisfied in the order in which they were incurred.

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).

- b. Further to Section 52 of the FY 2019 GAA are the following provisions in the President's Veto Message:
 - i. Direct Veto – Item II.A.11 – Item (g), Section 52, General Provisions, “Authorized Deductions,” Volume I-B, page 937, which includes obligations to “financing companies and other similar entities that have authority to engage in lending and mutual benefits or mutual aid system as stated in their respective constitutions and by-laws approved by government regulating bodies” among authorized deductions, is hereby vetoed for lack of legal basis.
 - ii. Conditional Implementation – Item III.C – Further, I am placing under conditional implementation Items (b) to (f), Section 52, General Provisions, “Authorized Deductions,” Volume I-B, page 937. While I recognize the advantage afforded to government employees in authorizing agencies to deduct the amount of their contributions and obligations to financing institutions, the government should not be reduced to a collecting agent of these institutions. As such, I hereby task all government agencies to leverage the accommodation given to these financing institutions in order to secure the most favorable terms possible to uphold the rights and promote the interests of all public servants.

- c. **The Net Take Home Pay (NTHP) threshold is mandatory.** Any financial contribution or obligation incurred by any personnel 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.
- d. For private entities falling under categories (b), (c), (d), (e), and (f) covered by Section 52, the provisions under DepEd Order No. 18, s. 2018 entitled, "Revised Guidelines on Accreditation/Re-Accreditation of Private Entities under the Automatic Payroll Deduction System (APDS) Program," shall apply.
- e. Deductions of financial obligations due to entities not authorized in Section 52 of the General Provisions of the FY 2019 GAA are prohibited. All affected DepEd personnel are advised to fulfill their obligations directly with the affected entities (see Annex 1).

5. 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 Government Service Insurance System (GSIS), Home Development Mutual Fund (HDMF), other government financial institutions, and private lenders. DepEd personnel whose loans are not deducted under the APDS are advised to pay their loans directly to their respective lenders.

IV. PROCEDURES

6. In accordance with the above-cited provisions in the FY 2019 GAA and the consequent rules promulgated by the Department, deductions will be integrated in the payroll in the following manner:

- a. The payment for employees' mandatory and non-mandatory contributions and/or obligations to the Bureau of Internal Revenue (BIR), Philippine Health Insurance Corporation (PhilHealth), GSIS, and HDMF shall be accorded first order of preference in deductions from their salaries. These include non-mandatory contributions and obligations for savings and insurance programs of these entities, in which DepEd personnel voluntarily enrolled;
- b. All prospective salary deductions in favor of entities falling under categories (b), (c), (d), (e), and (f) covered by Section 52, as well as non-mandatory contributions and loan payments to the GSIS and HDMF, must undergo the process for NTHP verification described in Annex "B" (for Enclosure 2) and Annex "C" (for Enclosure 3) of DepEd Order No. 18, s. 2018, or an applicable variation thereof, prior to being billed and subsequently integrated in the payroll;
- c. The payment for employees' contributions and/or obligations to entities that fall under paragraphs (b), (c), (d), (e), and (f) covered by Section 52 shall follow, and shall observe the "first-in, first-served" system, which shall be based on the receipt of the billing statement with complete supporting documents, which includes the Authority to Deduct and printed confirmation from the DepEd Verifier that the said obligations can be accommodated in the payroll;

- d. All termination dates for deductions under existing payroll records at the time of this issuance, or as indicated in the Authority to Deduct for obligations incurred after this Order was issued, shall not be extended, notwithstanding that these fall under the Undeducted Obligations; and
- e. Authorized deductions already on record that cannot be implemented because of the NTHP threshold shall be reflected in the pay slip as Undeducted Obligations.

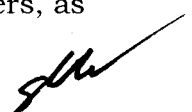
V. MONITORING AND EVALUATION

7. The Undersecretary for Finance, in coordination with all appropriate central and field offices, shall ensure that the necessary adjustments in the payroll deduction schedules pursuant to the provisions of this Order are effected and monitored.

8. All DepEd Agency Authorized Officers, DepEd Verifiers, and other personnel concerned must exercise due diligence in reviewing and evaluating applications and certifying the NTHP of DepEd personnel and are hereby directed to fully coordinate among themselves and the concerned payroll services units for the proper implementation of this Order.

VI. EFFECTIVITY/TRANSITORY PROVISION

9. To facilitate adjustments in the system and ensure smooth transition, the modifications in the payroll deduction schedule will be made effective in the **August 2019** payroll. This is due to administrative and logistical preparations needed, such as extensive and proper communication with all stakeholders and implementers, as well as technical modifications to be made in the payroll program.



List of Financing Companies Affected by the Implementation of the P5,000 Net Take Home Pay for DepEd Personnel for Fiscal Year 2019

No.	Deduction Code	Name of Entity
1	1020A	Great Educational Financing Corporation
2	1046	Yields Financial Corporation
3	1117	Rubetan Finance Corporation
4	1121	Cristal VI Finance Corporation
5	1124	Z.C. Crown Link Finance Corporation
6	1129	Mr. Yu Finance Corporation
7	1130	Golden R&L Finance Corporation
8	1131	Grandvista Finance Corporation
9	1157	People's Credit Network Finance Company, Inc.
10	1161	Unicapital Finance and Investments, Inc.
11	1166	Unistar Credit and Finance Corporation
12	1193	First United Finance and Leasing Corporation
13	1195	Triple Diamond Finance Corporation
14	1203	Innovative Investors and Financing Company, Inc.
15	1209	Radiowealth Finance Company, Inc.
16	1211	Crosscap Financing, Inc.

*** * * Nothing follows * * ***