



Republic of the Philippines
Department of Education
Office of the undersecretary for finance

November 25, 2020

ADVISORY

TO ALL DEPED TEACHING AND NON-TEACHING PERSONNEL

**RE: IMPLEMENTATION OF 60-DAY GRACE PERIOD ON PAYMENT
OF INSURANCE PREMIA/PRE-NEED PLANS**

1. This pertains to the directives contained in the Insurance Commission (IC) **Circular Letter No. 2020-095**, entitled "*Guidelines in the Interpretation and Application of Section 4(uu) of Republic Act No. 11494, Otherwise Known as the Bayanihan to Recover as One Act,*" with regard to the implementation of the 60-day grace period on payment of insurance premiums and mutual benefits system (MBS) membership contributions contracted by the planholders/policyholders with the insurance/pre-need companies and mutual benefit associations (MBAs).


2. A consultation through virtual platform held on November 17, 2020 was made by the DepEd CO Automatic Payroll Deduction System (APDS) Task Force with the representatives of the IC. The agenda was the issues raised during the November 3, 2020 virtual meeting with the insurance/pre-need companies and MBAs on the matter. The following were the significant clarifications obtained during the said consultation:

- a. The 60-day grace period shall apply only to life insurance policies and pre-need plans offered by insurance companies and MBAs registered with the IC;
- b. Health cards/plans are not covered by the 60-day grace period;
- c. The 60-day grace period stated in the IC Circular Letter 2020-095 already includes the standard grace period of 31 days;
- d. The non-deduction of the premiums for the given grace period is just mere deferment of payments, and must be settled within the period agreed with the concerned insurance/pre-need company or MBA;
- e. The responsibility of notifying the policy/plan holder as to whether he/she would avail of the said relief or grace period is lodged with the insurance/pre-need company and MBA, and such option of the holder/insured must be made in writing; and
- f. The insurance/pre-need company and MBA shall have the option to choose whether to collect the amount corresponding to the 60-day grace period through payroll deduction by extending the payment term of the policy by another two (2) months or collect payments over-the-counter.



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3. The above information was also relayed to the concerned entities accredited with the Department's APDS Program and required them to submit to the Regional Payroll Services Units (RPSUs) and Implementing Unit (IU) Secondary Schools on or before December 9, 2020, the list of their policyholders/planholders in DepEd who will avail of the said grace period, duly supported with their written consent. If no such list is submitted within the said deadline, it is presumed that said policyholders/planholders agreed to remit all premium deductions for payroll months of November and December 2020.
4. In view of the above, the RPSUs and IU-Secondary Schools cannot refund automatically the insurance premium/MBS membership contributions already deducted from the concerned DepEd personnel's November 2020 salary, nor stop the said deductions for December 2020 unless a consent in writing is provided to the insurance/pre-need company and/or MBA concerned which will be further submitted to the RPSU and/or IU secondary school, for appropriate action.
5. Thus, all DepEd teaching and non-teaching personnel with contracts from insurance and pre-need companies as well as MBAs under APDS, who are interested to the said 60-day grace period, are hereby directed to communicate their intention to the latter on or before the said scheduled deadline (i.e. December 9, 2020), and coordinate as to how they will settle the corresponding amount that will not be remitted to the said entities, whether over-the-counter or through extension of the termination period in the payroll.
6. Kindly post this Advisory to Bulletin Board and to any conspicuous places at your respective offices/schools, for information and guidance of all concerned.
7. Please be guided accordingly. Thank you.


ANNALYN M. SEVILLA
Undersecretary

Copy Furnished:

1. *Regional Directors, Chiefs of Finance and Administrative Divisions,
Heads of Regional Payroll Services Units and School Heads of IU-Secondary Schools,
DepEd Regions I to III, IV-A, IV-B, V to XIII, NCR and CAR*
2. *Chief, Personnel Division, Bureau of Human Resources and Organizational Development*