

Republika ng Pilipinas  
(Republic of the Philippines)  
MINISTRI NG EDUKASYON AT KULTURA  
(MINISTRY OF EDUCATION AND CULTURE)  
Manila

March 5, 1979

NEC MEMORANDUM  
No. 66, s. 1979

COLLECTION AND REMITTANCE OF CONTRIBUTIONS  
AND OTHER AMOUNTS DUE THE GSIS

To: Bureau Directors  
Cultural Agency Directors  
Regional Directors  
Chiefs of Services and Heads of Units  
Coordinator, State Colleges and Universities  
Schools Superintendents

1. Inclosed is Circular No. 190-78 of the GSIS dated September 7, 1978, regarding the collection and remittance of contributions provided in Presidential Decree No. 1146 and other amounts due the GSIS.
2. The monthly contributions for life and retirement insurance provided under Commonwealth Act No. 186, as amended, have been integrated under the Decree without increasing the amount of said contributions except for officials and employees receiving a monthly salary of more than ₱1,010.10.
3. In consideration of said integrated personal contribution plus the corresponding share of his employer a member may now be entitled to any or a combination of the following benefits: (a) automatic life insurance; (b) sickness income; (c) permanent disability; (d) old age benefit; (e) funeral benefit; and (f) survivorship.
4. Personnel in charge of deductions/remittances in connection with NEC employees'/officials'/teachers' contributions, premiums, etc. due the GSIS, should be guided accordingly.
5. Immediate and wide dissemination of the contents of this Memorandum and its inclosure is desired.

(SGD.) JUAN L. MANUEL  
Minister of Education and Culture







incl.:

As stated

reference:

N O N E

Document: 1-2-3--(D.O. 1-76)

As indicated in the Perpetual Index  
under the following subjects:

BUREAUS & OFFICES  
CONTRIBUTIONS  
EMPLOYEES  
LEGISLATION

OFFICIALS  
RULES & REGULATIONS  
SALARY  
TEACHERS











# GOVERNMENT SERVICE INSURANCE SYSTEM

September 7, 1978

CIRCULAR NO. 190-78

**FOR :** ALL HEADS OF MINISTRIES AND COMMISSIONS, CHIEFS OF BUREAUS AND OFFICES, MANAGING HEADS OF GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, ACCOUNTING, FINANCE, COLLECTING AND/OR DISBURSING OFFICERS THEREOF, AUDITORS, METRO - MANILA/PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS AND TREASURERS AND OTHERS CONCERNED.

**SUBJECT :** COLLECTION AND REMITTANCE OF CONTRIBUTIONS PROVIDED IN PRESIDENTIAL DECREE NO. 1146 AND OTHER AMOUNTS DUE THE GOVERNMENT SERVICE INSURANCE SYSTEM.

**A. PAYMENT OF INTEGRATED CONTRIBUTIONS UNDER PRESIDENTIAL DECREE NO. 1146 (AMENDING COMMONWEALTH ACT NO. 186, AS AMENDED).**

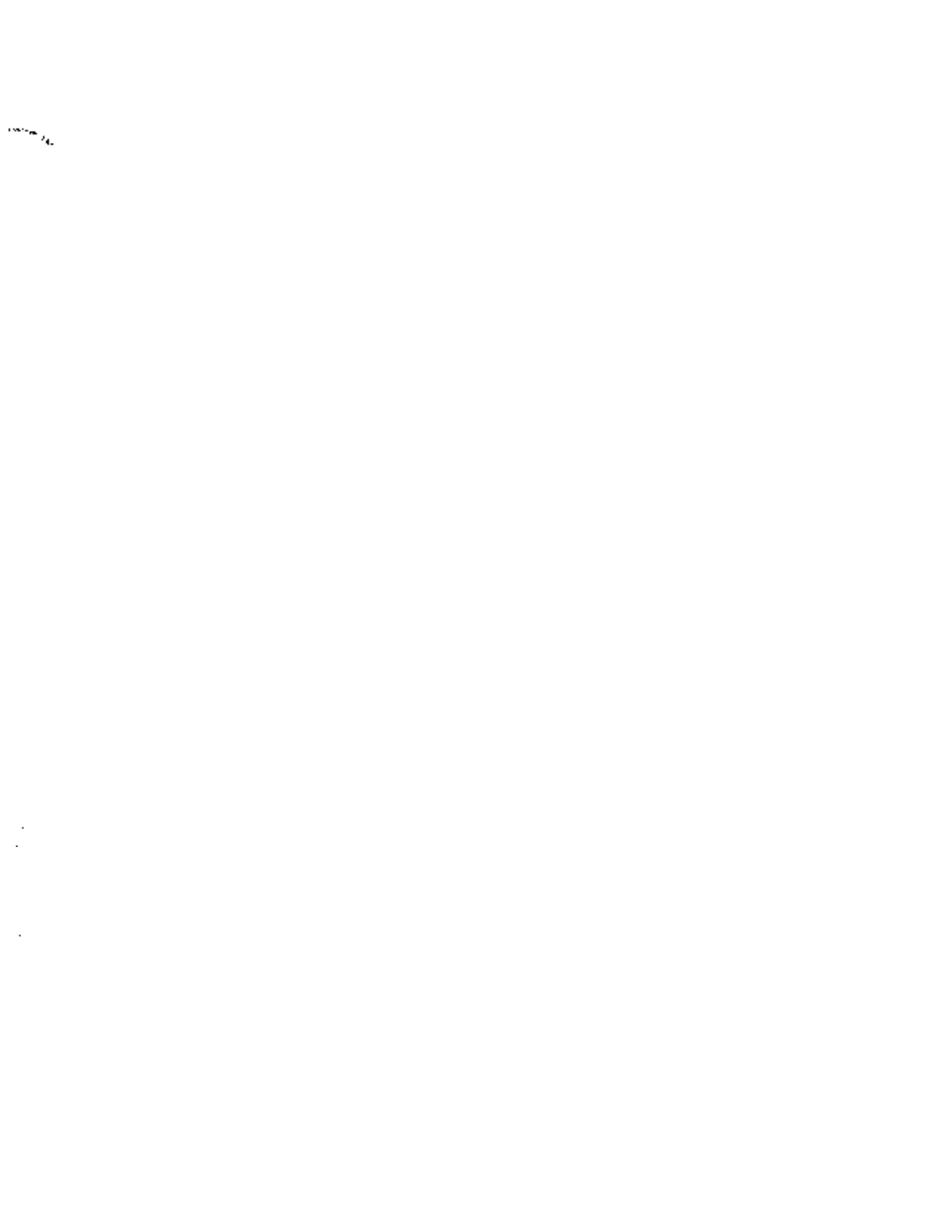
**1. Employees subject to the payment of the integrated contributions -**

- 1.1 All permanently appointed officials and employees as well as elective officials of the government, its political subdivisions, branches, agencies or instrumentalities, corporations owned or controlled by the government, the Philippine Tuberculosis Society, the Philippine National Red Cross and the Philippine Veterans Bank, who, upon employment, are below sixty (60) years of age.
- 1.2 All employees regardless of status of employment who were already members of the GSIS and were in the service as of the effectivity of P.D. 1146.
- 1.3 All employees who upon assumption of duty by reason of appointment or election are aged 60 years or more provided their applications for optional membership are approved by the employer and the System.
- 1.4 All non-permanent employees of national government agencies and local governments who are subject to compulsory coverage or whose compulsory coverage has been approved by the President and all non-permanent employees of government-owned or controlled corporations whose compulsory coverage was requested by said corporations and approved by the System.

**2. Rates of contributions due from employee and employer -**

The percentages of monthly compensation payable by the employee and employer are as indicated below. For this purpose, monthly compensation shall mean the basic pay or salary received by an employee, pursuant to his employment/appointment/s excluding per diems, bonuses, overtime pay, and allowances.







Monthly Compensation	Employee	Employer
I. P200 or less	7.5%	10.5%
II. Over P200 up to P3,000	8.5%	9.5%
III. Over P3,000		
First P3,000	8.5%	9.5%
In excess of P3,000	3.0%	9.5%

3. Formulae and illustrations in the manner of computing employee's and employer's share of contribution -

The contributions may be computed in accordance with the following formulae:

Monthly Compensation (MC)	Employee	Employer
I. P200 or less	7.5% of MC	10.5% of MC
II. Over P200 up to P3,000	8.5% of MC	9.5% of MC
III. Over P3,000	$P255 + 3\% (MC - 3,000)$	9.5% of MC

Illustrations:

Monthly Compensation (MC)	Employee Contributions	Employer
CASE I : P200 or less Example P180	7.5% of P180 = P13.50	10.5% of P180 = P18.90
CASE II : Over P200 up to P3,000 Example P2,500	8.5% of P2,500 = P212.50	9.5% of P2,500 = P237.50
CASE III : Over P3,000 Example P4,500	$P255 + 3\% (MC - 3,000)$ = $P255 + 3\% (4,500 - 3,000)$ = $P255 + 3\% (1,500)$ = $P255 + 45 = P300$	9.5% of P4,500 = P427.50

4. Premiums for Extra Hazards -

Extra premiums required of the employer on account of the hazards or risks of its employee's occupation shall be paid in accordance with the Schedule of Premiums for Extra Hazards prescribed by the System.



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## 5. Effective date of enforceability of contributions --

The new rates of contributions took effect on June 1, 1977. However, the collection thereof shall start from the month of October, 1978.

## 6. Manner of payment of accumulated increases in contributions --

Since Presidential Decree No. 1146 took effect on May 31, 1977 and the rates of contributions provided therein became payable beginning with the month of June 1977, officials and employees receiving a monthly compensation of more than ₱1,018.11 but continuing to pay the rates provided under C.A. 186, as amended prior to P.D. 1146, have incurred arrearages from June 1977. These arrearages may be liquidated without interest within a period of two (2) years from October 1978. Thereafter, the appropriate interests, penalties and surcharges shall be imposed on all arrearages.

## E. PAYMENT OF LIFE INSURANCE CONTRIBUTIONS OF EMPLOYEES NOT SUBJECT TO THE COVERAGE OF PRESIDENTIAL DECREE NO. 1146.

## 1. Employees not subject to the payment of the integrated contributions under Presidential Decree No. 1146.

1.1 Members of the Armed Forces of the Philippines, justices of the Supreme Court and Court of Appeals, judges of the Courts of First Instance, Agrarian Relations, Juvenile and Domestic Relations, Judges of City and Municipal Courts and those who are or may be covered under separate retirement laws which provide their own contributions for retirement benefits.

1.2 Non-permanent employees not covered by Presidential Decree No. 1146.

## 2. Rates of life insurance premiums to be paid in addition to the contributions required under their separate retirement scheme, if any:

## RATES OF LIFE INSURANCE PREMIUMS UNDER C.A. 186, AS AMENDED

TYPE OF EMPLOYEE	PERCENTAGE OF MONTHLY COMPENSATION		MODE OF PAYMENT
	Employee	Employer	
1. Officers and enlisted men in the Armed Forces of the Philippines.	5%	None	Payable monthly in advance.
2. Justices and judges and employees covered under separate retirement laws.	3%	3%	Payable monthly in advance.
3. Non-permanent employees.	₱12.00	₱12.00	Payable annually in advance.



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**C. PAYMENT OF OTHER AMOUNTS DUE THE SYSTEM.**

When so authorized by the employer, the employer shall deduct from the employee's monthly compensation the employer's premiums on optional insurance, loan amortization and other amounts payable by the employee to the System. The amounts deducted shall be remitted by the employer to the System within the first ten (10) days of the calendar month following the month in which the deductions were effected, together with the supporting lists in the forms prescribed by the System.

**D. PAYMENT OF CONTRIBUTIONS FOR MEDICARE AND EMPLOYEES' COMPENSATION.**

Contributions for Medicare and Employees' Compensation under R.A. 6111, amended, and Presidential Decree No. 626, respectively, may be remitted either to the System's Main Office, Corner Arroceros and Concepcion Streets, Manila, Metro-Manila or to its branch office nearest to the employer.

**E. MANNER AND TIME FOR REMITTING CONTRIBUTIONS TO THE SYSTEM.**

1. The employer shall remit its and the employee's contributions, together with the employer's premiums that may be due, within the first ten (10) days of the calendar month following the month in which the contribution applies. It may remit the contributions quarterly, semi-annually or annually in advance. In case of separation of the employee within the period covered by the advance payment, the unearned contributions shall be refunded to the employer.
2. Remittances shall be accompanied by supporting documents in the forms prescribed by the System. The present collection list or premium remittance advice for office implementing Circular No. 120, dated January 20, 1965 shall be used.

**F. LEGAL PROVISIONS ON REMEDIES AND PENALTIES FOR NON-DEDUCTION, NON-REMITTANCE AND/OR MISAPPROPRIATION OF CONTRIBUTION AND OTHER AMOUNTS DUE THE SYSTEM.**

1. It shall be compulsory upon the employer to deduct and withhold each month from the monthly compensation of the employee the latter's contribution and other amounts payable by the employee to the System.
2. The treasurer, finance officer, cashier, disbursing officer, or any employee who fails, refuses or delays by more than three (3) months to deduct the contributions of an employee as required, shall be punished by a fine of not less than one thousand pesos (P1,000) nor more than five thousand pesos (P5,000) or by imprisonment of not less than one (1) year nor more than five (5) years, or both, such fine and imprisonment at the discretion of the court. He shall, moreover, be disqualified from holding public office and from practising any profession or calling licensed by the government. (Sec. 42 (d), P.D. 1146)
3. The employer shall pay an interest of two per cent (2%) per month on its unremitted collections from their due dates to the date of payment or receipt of the same by the System. (Sec. 7, P.D. 1146)



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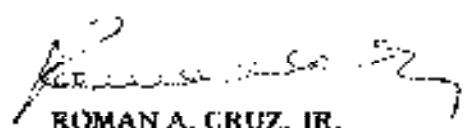
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- 4. Should the employer default in the payment of contributions provided herein, Minister of Finance or the Chairman of the Commission on Audit or his duly authorized representative shall, pursuant to Sec. 6 (b) of P.D. 1146 and upon request of the System, take such steps to have said contributions paid promptly. For this purpose in accordance with the same provision of law, said officials may withhold from the revenues and/or incomes of the defaulting employer such amounts as may be necessary to pay its obligations herein and remit the same immediately to the System.
- 5. The treasurer, finance officer, cashier, disbursing officer, or any employee, who, after deducting the monthly contribution, amortization or any amount from a member's compensation, fails to remit the same to the System within thirty (30) days from the date they should have been remitted shall be presumed to have misappropriated such amounts and shall suffer the penalties provided in Article Three Hundred Ninety (315) of the Revised Penal Code. (Sec. 42 (f), P.D. 1146)
- 6. Any employee who permits another person to take or misappropriate said funds, expressly consenting thereto or through abandonment or negligence, or is otherwise guilty of the misappropriation of such funds, in whole or in part, shall suffer the penalties provided in Article Two Hundred Seventeen (217) of the Revised Penal Code. (Sec. 42 (e), P.D. 1146)

Please be guided accordingly.

  
**ROMAN A. CRUZ, JR.**  
 President and General Manager



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