



REPUBLIKA NG PILIPINAS
REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS
1125 Complex, Marikina Avenue
1200 Marikina



Sama-Sama
sa DECS

Integrating the Kalihim
Office of the Secretary

October 2, 1997

DECS ORDER
No. 72, s. 1997

**COLLECTION AND REMITTANCE OF CONTRIBUTIONS PROVIDED
IN REPUBLIC ACT NO. 8291 AND OTHER AMOUNTS DUE
THE GOVERNMENT SERVICE INSURANCE SYSTEM**

To: **Undersecretaries**
Assistant Secretaries
Bureau/Center/Cultural Agency Directors
Regional Directors
Directors of Services/Centers and Heads of Units
Schools Superintendents

1. For the information and guidance of all concerned, inclosed is a copy of GSIS Circular No. 4-97 dated June 25, 1997 on the collection and remittance of contributions provided in Republic Act No. 8291 (Amending C.A. 186, as amended by Presidential Decree No. 1146).
2. Attention is particularly invited to paragraph A(3) of said Circular stating that it is mandatory for the GSIS members and the employers to pay the monthly contributions specified in R.A. 8291.
3. Attention is further invited to paragraph C regarding the remittance of contributions directly to the GSIS within the first ten (10) days of the calendar month following the month to which the contributions apply.
4. Wide dissemination of this Order is desired.


RICARDO T. GLORIA
Secretary

Incl:

As stated

Reference:

DECS Memorandum: No. 393, s. 1997

Allotment: 1- (D.O. 50-97)

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

BUREAUS & OFFICES
CONTRIBUTIONS
EMPLOYEES
LEGISLATION
OFFICIALS

Republic of the Philippines
 GOVERNMENT SERVICE INSURANCE SYSTEM
 Financial Center, Pasay City

June 25, 1967

CIRCULAR NO. 4-67

F. O. R. 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 AND OTHERS CONCERNED.

SUBJECT: COLLECTION AND REMITTANCE OF CONTRIBUTIONS PROVIDED IN REPUBLIC ACT NO. 8291 AND OTHER AMOUNTS DUE THE GOVERNMENT SERVICE INSURANCE SYSTEM.

A. PAYMENT OF INTEGRATED CONTRIBUTIONS UNDER REPUBLIC ACT NO. 8291 (Amending CA 186, as amended by Presidential Decree No. 1146).

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

1.1 Any person, receiving compensation while in the service of an employer, as defined hereunder, whether by election or appointment, irrespective of status of appointment, including barangay and sanggunian officials, who have not reached the compulsory retirement age, except members of the Armed Forces of the Philippines and the Philippine National Police.

1.2 Civilian employees of the Armed Forces of the Philippines including employees of the Bureau of Fire Protection and the Bureau of Jail Management and Penology.

Employer shall mean the national government, its political subdivisions, branches, agencies or instrumentalities, including government-owned or -controlled corporations, and financial institutions, with original charters, the constitutional commissions and the judiciary.

2. Members subject to the payment of life insurance contributions only

2.1 Members of the judiciary and constitutional commissions who shall only have life insurance coverage

3. Rates of contributions due from member/employee and employer.

The percentages of monthly compensation payable by the member 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 election/appointment, excluding per diem, bonuses, overtime pay, honoraria, allowances and any other emoluments received in addition to the basic pay which are not integrated into the basic pay under existing laws.

It shall be mandatory for the members and the employer to pay the monthly contributions specified in the following schedule:

Monthly Compensation	Percentage of Monthly Compensation Payable By	
	Employee/Member	Employer
I. P10,000 and below	9.0%	12%
II. In excess of P10,000	2.0%	12%

Members of the Judiciary and constitutional commissioners shall pay three percent (3%) of their monthly compensation as personal share, and their employers a corresponding three percent (3%) share for their life insurance coverage.

4. Formulas 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 formulas:

Monthly Compensation (MC)	Employee/Member	Employer
I. P10,000 and below	9.0% of MC	12% of MC
II. Over P10,000	P900 + 2% in excess of MC - P10,000	12% of MC

Illustrations:

Monthly Compensation (MC)	Employee/Member Contributions	Employer
Case I: P10,000 and below		
Ex. 1: P8,500	9% of P8,500 = P765	12% of P8500 = P1020
Case II: Over P10,000		
Ex. 1: P16,303	P900 + 2% of P6,303 = P900 + 126.06 = 1026.06	12% of P16303 = P1956.36
Ex. 2: P11,056	P900 + 2% of P1,056	

5. Premium for Extra Hazards

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

6. Effective date of enforceability of contributions

The new rates of contributions took effect on June 24, 1997. The collection thereof shall start from the month of January, 1998 in so far as the government share is concerned. It is understood, however, that arrearses that may have been incurred shall be liquidated within the period from January 1998 to March 1998 without interest.

B. PAYMENT OF OTHER AMOUNTS DUE THE SYSTEM

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

C. COLLECTION AND REMITTANCE OF CONTRIBUTIONS

a). The employer shall report to the GSIS the names of all its employees, their corresponding employment status, positions, salaries and such other pertinent information, including subsequent changes therein, if any, as may be required by the GSIS; the employer shall deduct each month from the monthly salary or compensation of each employee the contribution payable by him in accordance with the schedule described herein.

b). Each employer shall remit directly to the GSIS the employees' and employers' contributions within the first ten (10) days of the calendar month following the month to which the contributions apply. The remittance by the employer of the contributions to the GSIS shall take priority over and above the payment of any and all obligations except salaries and wages of its employees.

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

1. The employer shall include in its annual appropriation the necessary amounts for its share of the contributions indicated herein, plus any additional premiums that may be required on account of the hazards or risks of its employees' occupation.

2. It shall be mandatory and compulsory for all employers to include the payment of contributions in their annual appropriations. Penal sanctions shall be imposed upon employers who fail to include the payment of contributions in their annual appropriations or otherwise fail to remit the accurate/exact amount of contributions on time, or delay the remittance of premium contributions to the GSIS. The heads of offices and agencies shall be administratively liable for non-remittance or delayed remittance of premium contributions to the GSIS.
3. Interests on Delayed Remittances - Agencies which delay the remittance of any and all monies due the GSIS shall be charged interests as may be prescribed by the Board but not less than two percent (2%) simple interest per month, such interest shall be paid by the employers concerned.
4. The treasurer, finance officer, cashier, disbursing officer, budget officer, or other official and employee who fail to include in the annual budget the amount corresponding to the employer and employee contributions, or who fails or refuses or delays by more than thirty (30) days from the time such amount becomes due and demandable, or to deduct the monthly contributions of the employee shall, upon conviction by final judgment, suffer the penalties of imprisonment from six (6) months and one (1) day to six (6) years, and a fine of not less than Three Thousand pesos (P3,000.00) but not more than Six Thousand pesos (P6,000.00), and in addition shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.
5. Any employee, who after deducting the monthly contribution or loan amortization from a member's compensation, fails to remit the same to the GSIS within Thirty (30) days from the date they should have been remitted as provided herein shall be presumed to have misappropriated such contribution or loan amortization and shall suffer the penalties provided in Article 315 of the Revised Penal Code, and in addition shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.
6. The heads of the offices of the national government, its political subdivisions, branches, agencies and instrumentalities, including government-owned or controlled corporations and government financial institutions, and the personnel of such offices who are involved in the collection of premium contributions, loan amortization and other accounts due the GSIS who shall fail, refuse or delay the payment, turnover, remittance or delivery of such accounts to the GSIS within Thirty (30) days from the time that the same shall have been due and demandable shall, upon conviction by final judgment, suffer the penalties of


imprisonment of not less than one (1) year nor more than five (5) years and a fine of not less than Ten Thousand pesos (P10,000.00) nor more than Twenty Thousand pesos (P20,000.00), and in addition shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.

7. The officers and/or personnel referred to in the preceding paragraph shall be liable not only criminally but also civilly to the GSIS or to the employer or member concerned in the form of damages, including surcharges and interests.
8. For the charges or complaints referred to in paragraph (D-6), the liabilities therein set forth shall be construed as waiver of the State of its immunity from suit, hence, the above-mentioned officials and/or personnel may not invoke the defense of non-suitability of the State.

E. INCENTIVE FOR PROMPT REMITTANCE OF CONTRIBUTIONS

The GSIS shall have the power to authorize the payment of extra-remuneration to the officials and employees directly involved in the collection and/or remittance of contributions, loan repayments, and other monies due to the GSIS at such rates and under such conditions as it may adopt: Provided, that the best interest of the GSIS shall be observed thereby.

Please be guided accordingly,


CESAR N. SARINO
President and General Manager