

REPUBLIKA NG PILIPINAS  
**Pambansang Pangasiwaan ng Patubig**  
(NATIONAL IRRIGATION ADMINISTRATION)  
LUNGSOD NG QUEZON

MC # 77, S. 1978

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS; HEADS OF DEPARTMENTS AND STAFFS; HEADS OF SPECIAL PROJECTS; REGIONAL IRRIGATION DIRECTORS; PROVINCIAL AND PROJECT IRRIGATION ENGINEERS; IRRIGATION SUPERINTENDENTS AND/OR OFFICERS-IN-CHARGE OF IRRIGATION SYSTEMS/OFFICES; CHIEF CORPORATE ACCOUNTANT AND REGIONAL/PROJECT ACCOUNTANTS; CASHIERS AND ALL OTHERS CONCERNED

SUBJECT : Collection and Remittance of Contributions provided in Presidential Decrees No. 1146 and 1519

Quoted hereunder are pertinent provisions of GSIS Implementing Circular No. 190-78 regarding contributions due to the System under P.D. 1146, (Amending CA 186, as amended) for your information and guidance:

"I. Employees subject to the payment of the integrated contributions:

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, who, upon employment, are below sixty (60) years of age.
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.
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....  
XX  
XX  
XX

II. Rates of Contributions due from employee and employer

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

Monthly Compensation

Employee

Employer

II. Over P200 up to P3,000	8.5% of MC	9.5% of MC
III. Over P3,000		
First P3,000	8.5%	9.5%
In excess of P3,000	3.0%	9.5%

Illustrations: -

Monthly Compensation	<u>Contributions</u>	
	Employee	Employer
XX		
XX		

Case II Over 200 up to P3,000

Ex. P2,500	8.5% of 2,500 = P212.50	9.5% of 2,500 = P237.50
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Case III Over P3,000

Ex. P4,500	P255 + 3% (MC-3000) = P255 + 3% (4,500-3,000) = P427.50 = P255 + 3% (1,500) = P255 + 45 = P300.00	9.5% of P4,500
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III. Medicare Contributions - Effective October 1, 1978, Medicare contributions per P.D. 1519 shall be as follows:

Monthly Salary/Wage	Contribution	Employer's	Employee's
	Base	Contribution	Contribution
P250.00 to P349.99	P300.00	3.75	3.75
350.00 to 499.99	425.00	5.35	5.35
500.00 and above	600.00	7.50	7.50

IV. Manner of payment of accumulated increase 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 P1,018.18 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.



V. Legal Provisions on Remedies and Penalties for Non-Deduction, Non-Remittance and/or Misappropriation of Contribution and other Amounts Due the System -

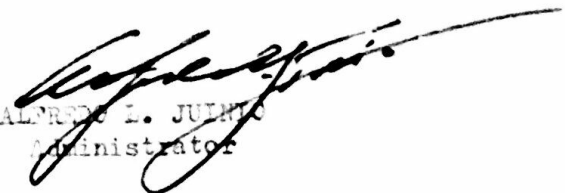
1. It shall be compulsory upon the employer to deduct and withhold each month from the monthly compensation of the employee the latter's contribution and other amounts payable by the employee to the System.
2. The Treasurer, finance officer, cashier, disbursing officer, or any employee who fails or refuses or delays by more than three (3) months to deduct the contributions of the employee as required, shall be punished by a fine of not less than one thousand pesos (P1,000) not 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 practicing any profession calling licensed by the government.
3. The employer shall pay an interest of two percent (2%) per month on its unremitted collections from their due dates to the date of payment or receipt of the same by the System.
4. Any Treasurer, finance officer, cashier, disbursing officer or any employee, who after deducting the monthly contribution from a member's compensation, fails to remit same to the System within thirty (30) days from the date of remittance shall be presumed to have misappropriated such amounts and shall suffer the penalties provided for in Act 315 of RPC (Sec. 42(f) P.D. 1146).
5. Any employee who permits another person to take or misappropriate said funds by 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 217 of the RPC (Sec. 42(e) P.D. 1146).
6. Should the employer default in the payment of contributions provided herein, the Minister of Finance or the Chairman of the COA 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. Said official may withhold from the revenues and/or incomes of the defaulting employer such amounts as maybe necessary to pay its obligations and remit same immediately to the System."

In this connection, it is directed that implementation of A.D. 1146 and 1519 in this office together with the payment of arrearages for employees receiving a monthly salary of more than P1,018.18 should start not later than December 1, 1978.

The Formula in computing the monthly dues are as follows:

Total amount of arrearages from June 1, 1977 to November, 1978	= Monthly Due
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22 months	

Strict compliance is enjoined.

  
ALFREDO L. JUINIO  
Administrator

1978 December 8/2