



Republika ng Pilipinas
Pambansang Pangasiwaan ng Patubig
(NATIONAL IRRIGATION ADMINISTRATION)
Lungsod ng Quezon

OFFICE ADDRESS: NATIONAL GOVERNMENT CENTER
E. DE LOS SANTOS AVENUE
QUEZON CITY PHILIPPINES

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CABLE
TELEX

97-60-71 to 78
NIAPHIL
42802 NIA PM

OUR REFERENCE:

To: AN CORPLAN

PLS RAT + pass around. Thanks.

N.C. 33 s.1997

MEMORANDUM CIRCULAR

TO: THE DEPUTY ADMINISTRATOR / ASSISTANT ADMINISTRATORS/
DEPARTMENT / REGIONAL / OPERATION / PROJECT MANAGERS /
IRRIGATION SUPERINTENDENTS / PROVINCIAL IRRIGATION MANAGERS/
AND all others concerned

SUBJECT : Coverage and GSIS Contributions under " THE GOVERNMENT
SERVICE INSURANCE SYSTEM ACT OF 1997" (R.A. 8291)

With the approval of the GSIS Act of 1997 otherwise known as an Act amending Presidential Decree No. 1146, expanding and increasing the coverage and benefits of the GSIS, quoted hereunder are its salient features for the information and guidance of all concerned.

" B. MEMBERSHIP IN THE GSIS

Sec. 3 . Compulsory Membership .- Membership in the GSIS shall be compulsory for all employees receiving compensation who have not reached the compulsory retirement age, irrespective of employment status, except members of the Armed Forces of the Philippines and the Philippine National Police, subject to the condition that they may settle first their financial obligation with the GSIS, and contractuels who have no employer and employee relationship with the agencies they serve. (under GSIS supplied)

"Except for the members of the judiciary and constitutional commissions who shall have life insurance only, all members of the GSIS shall have life insurance, retirement, and all other social security protection such as disability, survivorship, separation, and unemployment benefits.

Sec. 4. Effect of Separation from the Service. - A member separated from the service shall continue to be a member, and shall be entitled to whatever benefits he has qualified to in the event of any contingency compensable under this Act.



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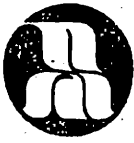
C. SOURCES OF FUNDS

Sec. 5 Contributions: (a) It shall be mandatory for the member and the employer to pay the monthly contributions specified in the following schedule:

MONTHLY COMPENSATION	PERCENTAGE OF MONTHLY COMPENSATION PAYABLE BY	
	MEMBER	EMPLOYER
I. Maximum Average Monthly Compensation * (AMC) Limit and Below	9.0 %	12.0 %
II. Over the Maximum AMC Limit		
- Up to the Maximum AMC Limit	9.0 %	12.0 %
- In excess of the AMC Limit	2.0 %	12.0

* Sec. 2 (1) Average Monthly Compensation (AMC) - The quotient arrived at after dividing the aggregate compensation received by the member during his last thirty six (36) months of service preceding his separation/ retirement /disability / death by thirty six (36), or by the number of months he received such compensation if he has less than thirty six (36) months of service: Provided, that the average monthly compensation shall in no case exceed the amount and rate as may be respectively set by the Board (GSIS) under the rules and regulations implementing under this Act as determined by the actuary of the GSIS: Provided further, that initially the average monthly compensation shall not exceed TEN THOUSAND PESOS (10,000.00) ,AND THE PREMIUM SHALL BE NINE PERCENT (9 %) AND TWELVE PERCENT (12 %) for employee and employer covering the AMC limit and below: and TWO PERCENT (2 %) and TWELVE PERCENT (12 %) for employee and employer covering compensation above the AMC limit:

Sec. 5 (b) The employer shall include in its annual appropriation the necessary amounts for its share of the contributions indicated above, plus any additional premiums that may be required on account of the hazards or risks of its employees' occupation.



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(c) 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 contribution to GSIS.

Sec. 6. Collection & Remittance of Contribution.-

(a) The employer shall report to the GSIS the names of all its employees, their corresponding 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 prescribed in the rules and regulations implementing this Act.

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 shall 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.

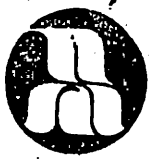
Sec. 7. Interests on Delayed Remittances- Agencies which delay the remittance of any and all monies due the GSIS shall be charged interests as may be prescribed by the Board but not less than two percent (2%) simple interest per month. Such interest shall be paid by the employers concerned.

Sec. 8 . Government Guarantee- The government of the Republic of the Philippines hereby guarantees the fulfillment of the obligations of the GSIS to its members as and when they fall due.

APPROVED : *

SGD. FIDEL V. RAMOS
President of the Philippines "

* Signed by His Excellency, the President, on May 30, 1997. Published nationwide in newspapers on June 9, 1997. Thus the law took effect June 24, 1997.



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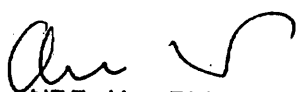
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All heads of offices are directed to comply with the above-quoted provisions to avoid incurring penalties due to late remittances. All Administrative Managers /Sr. Industrial Relations Management Officers in the field are likewise directed to inform employees the benefits due them under R.A. 8291 and to see to it that same is widely disseminated.

Strict compliance is enjoined.


ORLANDO V. SORIANO
Administrator

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_____ August 1997