

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

TELEPHONE NOS.: 97-60-71 to 78
CABLE NIAPHIL
TELEX 42802 NIA PM

OUR REFERENCE:

M.C. NO. 40 s. 1997

MEMORANDUM CIRCULAR

TO : THE DEPUTY ADMINISTRATOR, ASSISTANT ADMINISTRATORS,
DEPARTMENT, REGIONAL / OPERATIONS / PROJECT MANAGERS,
IRRIGATION SUPERINTENDENTS, PROVINCIAL IRRIGATION
MANAGERS and all others concerned

SUBJECT : APPLICATION AND PROCESSING OF RETIREMENT CLAIMS
UNDER R.A. 1616

Quoted hereunder in full is GSIS Memorandum Circular No. 3-97 on the above-captioned subject for the information and guidance of all concerned viz:

" GOVERNMENT SERVICE INSURANCE SYSTEM
Pasay City, Metro Manila

7 July 1997

MEMORANDUM CIRCULAR No. 3-97

TO : All Heads of Departments and Agencies, Chiefs of
Bureaus and Offices, Heads of Government-Owned
and controlled Corporations, State Universities
and Colleges, Governors, Mayors and others
concerned

SUBJECT : Processing and Adjudication of Retirement Claims
under section 12 (c) of R.A. 1616 as amended by
R.A. 4968

Under the provisions of R.A. 8291, also known as the GSIS Act of 1997 which took effect June 24, 1997, the processing and adjudication of retirement applications under Sec. 12 (c) of R.A. 1616 as amended by R.A. 4968, shall be discontinued by the GSIS.

The Agencies concerned shall process and pay the gratuities of their employees under R.A. 1616 subject to GSIS clearance.

To implement this particular provision of R.A. 8291 the GSIS shall assist the agencies concerned to gain the expertise in the processing and adjudication of retirement claims under R.A. 1616.

Any employee, appointive or elective, regardless of age and employment status is eligible to retire under Sec. 12 (c) of R.A. 1616 as amended by R.A. 4968 subject to the following conditions:

1. Must have rendered service prior to June 1, 1977 effectivity of P.D. 1146;
2. At least 20 years service in the aggregate;
3. Last 3 years of service must be continuous, meaning, no separation or leave of absence without pay of more than one (1) year within the last three (3) years of service;
4. Gratuity to be computed based on the highest salary received.

Stated below is the formula and sample for computing gratuity benefits:

$$\begin{aligned}\text{Gratuity months} &= \text{Factor} \times \text{Total service} \\ &= 1.0 \quad \times \quad 20 \text{ yrs.} \\ &\quad + 1.5\text{Mo.} \times (21-30) \text{ yrs.} \\ &\quad + 2.0 \text{ Mo.} \times \text{in excess of } 30 \text{ yrs.}\end{aligned}$$

Example 1: Total Service (TS)= 35 yrs.

Highest salary = P18,749.00

$$\begin{aligned}\text{Gratuity mos. } 1.0 \times 20 &= 20 \\ 1.5 \times 10 &= 15 \\ 2.0 \times 5 &= 10\end{aligned}$$

service 35yrs.= 45 gratuity mos.

Amount of Gratuity = Gratuity mos. x Highest salary received

= 45 x P 18,749.00

= P843,705.00

Example 2 : T.S. = 29 years

Highest salary received = P10,863.00

Gratuity months = 1.0 Mo. x 20 = 20

1.5 Mo. x 9 yrs. = 13.5

29 yrs. 33.5 gratuity
service months

Amount of Gratuity = 33.5 x P 10,863.00

= P363,910.50

The refund of retirement premiums paid, personal share with interest and government share without interest shall be payable by the GSIS. A copy of the approval together with the service record shall be forwarded to the GSIS in order to effect the refund the soonest possible time.

Please be guided accordingly.

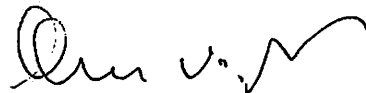
(SGD.) CESAR N. SARINO
President & General Manager "

In view of this issuance, retirement applications of field office personnel under R.A. 1616 shall be forwarded to the Manager, Personnel & Records Management Department, Central Office, for processing prior to approval by the Administrator. The delegated authority granted to Regional/Project/Operations Managers to endorse retirement applications under R.A. 1616 directly to GSIS is hereby revoked. Authority for said officials to directly endorse other retirement modes such as P.D. 1146, R.A. 660 to GSIS still remains in effect.

To ensure prompt payment of gratuity benefits, all Heads of Offices are directed to submit to Central Office, (Attn. Manager, Budget Division, Controllershship Department) a list of retirees under R.A. 1616 including estimates of the gratuity and terminal leave benefits on the first week of January of each calendar year for inclusion in the Budgets.

Previous issuances inconsistent herewith are hereby revoked accordingly.

For strict compliance.



ORLANDO V. SORIANO
Administrator

31 _____
October 1997