



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
GENERAL SOLANO ST., SAN MIGUEL, MANILA

**CIRCULAR LETTER**

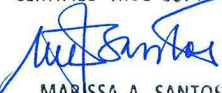
No. 2020 - 6  
March 30, 2020

**TO :** All Heads of Departments, Agencies, Bureaus and Offices of the National Government, including State Universities and Colleges (SUCs), Constitutional Offices, and All Others Concerned

**SUBJECT :** REVISED PAYMENT ARRANGEMENTS OF EMPLOYER (GOVERNMENT) SHARE IN RETIREMENT AND LIFE INSURANCE PREMIUM (RLIP) CONTRIBUTION REMITTED TO THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)

- 1.0 This Circular is issued to revise the guidelines relative to the remittance of the government share in the RLIP contributions to the GSIS effective April 2020.
- 2.0 The following laws are recalled:
  - 2.1 Section 5 (a and b) of R.A. No. 8291 mandates the following:
    - 2.1.1 The GSIS member and his employer are mandated to pay the monthly contribution as specified in said law; and
    - 2.1.2 The employer shall include in its annual appropriations the necessary amount for the share of the contribution.
  - 2.2 Section 46 of the FY 2020 General Appropriations Act (GAA) provides that ***"the government and employee shares in the compulsory contribution to the GSIS,...,shall be remitted directly by the department,...,to the respective recipient agencies, unless a different arrangement is agreed upon in writing between the DBM and the recipient agency"***.
- 3.0 As a result of the existence of a National Emergency arising from the Coronavirus Disease 2019 (COVID-19), GSIS, through the Department of Finance, requested the timely remittance of the government share in premium contribution to ensure that any benefit pay-outs required by its members are fully provided.
- 4.0 Relative thereto, to streamline the flow of funds, the following shall be observed effective April 1, 2020 up to December 31, 2020:
  - 4.1 While the full year requirement of the government share in the RLIP have been released comprehensively under General Allotment Release Order (GARO) No. 2020-1 dated January 6, 2020, all concerned

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Chief Administrative Officer  
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departments/agencies are advised that the amounts covering the 12% government share in premium contribution for the period April to December 2020, are hereby withdrawn effective immediately. Accordingly, the negative GARO shall be issued for the purpose covering the 2<sup>nd</sup> to 4<sup>th</sup> quarters funding requirement of the government share.

- 4.2 Starting April 2020, the DBM **shall directly remit to the GSIS** the government share in the RLIP contribution for all departments, bureaus and offices of the national government. A Special Allotment Release Order (SARO) reflecting the DBM as the responsible department charged with the remittance of the government share of the premium contribution to GSIS shall be issued. The corresponding Notice of Cash Allocation (NCA) will likewise be released to the DBM on a quarterly basis.

- 5.0 This Circular shall take effect immediately.

  
**WENDEL E. AVISADO**  
Secretary

